Austria ... Sch. 15	Indonesia ... Rp 1600	Philippines .. Pes. 20
Bahrain .. Din.0.650	Italy .... L 1,100	Portugal .... Esc 65
Belgium BFr.35	Japan Y650	S. Arabia .. Rls 6.00
Canada .... C$2.50	Jordan Fils.500	Singapore . S$ 4.10
Denmark .. Dkr.7.00	Kuwait Fils.500	Spain ...... Pta 95
Egypt ..... E£1.00	Lebanon .. L£ 6.00	Sweden ... Skr 6.50
Finland .. Fmk 5.00	Luxembourg . LFr.35	Switzerland . SwFr 2
France ... FFr. 5.00	Malaysia .. Rm 4.25	Taiwan .. Din 1.600
Germany . DM 2.00	Morocco .. Dh 6.00	Turkey .... L 130
Greece ...... Dr 55	Netherlands . Fl 2.25	U.A.E. .... Dh 6.50
India ..... Rup. 15	Norway ... Nkr. 6.00	U.S.A $1.50

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 28,975 — Monday January 17 1983 — D 8523 B

Europe's frantic bid to help young jobless, Page 11

NEWS SUMMARY

GENERAL

Moscow and U.S. 'vetoed N-deal'

U.S. and Soviet negotiators worked out an informal agreement in Geneva last July to limit intermediate-range nuclear missiles, but Washington and Moscow rejected the deal, senior U.S. officials said at the weekend.

This disclosure, reported in the New York Times, is an embarrassment to the Reagan Administration when West European countries are pressing for progress to be made and the President is sticking to his "zero option" proposal. Page 12

Soviet Foreign Minister Andrei Gromyko arrived in Bonn yesterday, in the middle of a West German election campaign which is dominated by the disarmament issue. Page 12

In Peking, two days after announcing Sino-Soviet talks in Moscow in March on improving relations, China launched a bitter attack in the Soviet military presence in Afghanistan.

Shooting row

British Home Secretary William Whitelaw faces a major political row in Parliament today when he is expected to make a statement on the shooting by police of a man in London on Friday. The police said it was a case of mistaken identity for a man wanted for attempted murder of a policeman, and that three officers had been suspended. Page 6

Judge shot dead

Provisional Irish Republican Army claimed responsibility for shooting dead Judge William Doyle as he left a Belfast Roman Catholic chapel after attending Mass.

Walesa tries again

Lech Walesa, leader of Poland's banned Solidarity trade union movement, will make another attempt today to return to work at the Lenin shipyard, Gdansk, after being turned away on Friday.

Japanese warning

Japanese Prime Minister Yesuhiro Nakasone warned U.S. leaders that failure to reject protectionist trade policies could result in economic collapse on a par with the 1930s depression. He begins three days of talks in Washington today.

Extradition plea

Turkey has asked Greece for the extradition of film director Yilmaz Guney, who attended yesterday's Athens premiere of his award-winning film Yol. He escaped from a Turkish jail in October 1981 while serving 19 years for shooting dead a public prosecutor.

Angola seeks aid

Angola has asked Portugal for military aid, especially instructors for its Soviet and Cuban-trained forces.

Industrialist freed

Police raided caves near Bari, Italy, and freed industrialist Donato Montinari, kidnapped a month ago, and captured two of his abductors.

Cosmos failure

Soviet Union admitted a systems failure on board space satellite Cosmos 1402, but said the space satellite's nuclear power pack would be reduced to fine particles on re-entry to Earth's atmosphere.

Heads you lose

Gamblers in Peking have been ordered to confess to the police within 15 days or face severe penalties, give up their winnings and expose fellow punters.

Briefly...

British Airways flight staff are to end their ban on staying overnight in Ulster.

Pig ran on the field at Brisbane in the one-day cricket match in which Australia beat England.

British MP Marcus Fox called for an inquiry into deaths of seven UK citizens through asphyxiation in Algarve, Portugal, flats.

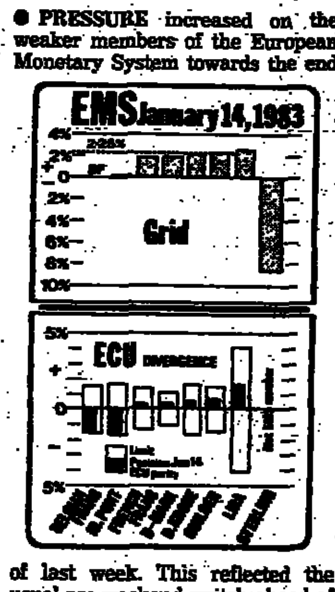
BUSINESS

Chile: no guarantee on banks' debts

● **CHILE'S** Government says it will not guarantee $3.8bn owed abroad by eight financial institutions either closed or put under state control on Friday.

● **SOVIET UNION** has agreed to halve this year its trade surplus with France, which was FFr 9bn ($1.35bn) in 1982, by increasing imports. Page 3

● **PRESSURE** increased on the weaker members of the European Monetary System towards the end of last week. This reflected the usual pre-weekend switch ahead of any possible realignment from currencies such as the Belgian franc to the comparative safety of the Swiss franc and D-Mark, although the D-Mark lost some of its attractiveness as tension increased in the run-up to a March general election in Germany.



The Belgian franc was weak against the Dutch guilder and the Dutch central bank intervened heavily during the week, buying Belgian francs. The strength of the guilder allowed the Dutch authorities to cut the discount rate to 4½ per cent on Thursday. The Italian lira remained the strongest currency.

The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2¼ per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

● U.S. imposed restrictions on textile imports from China. Page 3

● **NEW ZEALAND** is putting out contracts for a NZ$230m ($170m) geothermal power station at Ohaaki. Contracts worth NZ$25m for turbines and other plant have gone to Franco Tosi of Italy and Mitsubishi of Japan.

● **SPAIN:** Jose Maria Escondrillas, a Bilbao businessman, is to head chemicals conglomerate Union Explosivos Rio Tinto, which last year said it could not meet repayments on $1bn debts. Page 14

● **ASSAY** offices in Britain hallmarked 18.8m articles of gold, silver and platinum last year, 2.6 per cent down on 1981.

● **WORLD** industrial production is the subject of today's special Statistical Trends feature on Page 4.

● **ANDERSON STRATHCLYDE,** the UK mining equipment group, has raised its bid for control of U.S. group National Mine Service by $1.2m to $32m, and has accused Charter Consolidated, which is bidding for Anderson Strathclyde, of restricting its room for manoeuvre. Page 12

● **BRITISH TELECOM** is expected to announce this week a new system to combat credit-card fraud, based on equipment bought from U.S. group Comdial. Page 12

● **LA SIGNALISATION,** telephone cable subsidiary of French state CGCT group, has won a FFr 435m ($65.2m) contract in Kuwait and is in line for a FFr 450m deal there in six months.

● **SHARJAH GROUP** of Kuwait withdrew from a consortium planning a bid for UK engineering group Cope Allman International.

U.S. in call for growth to aid world recovery

BY DAVID MARSH IN PARIS

The U.S. Treasury last night called on countries which have succeeded in reducing inflation over the past two years to resume economic growth this year to help the world pick up from recession.

This call, made in Paris by Mr Beryl Sprinkel, Under Secretary for Monetary Affairs, underlines the change of language in the U.S. Administration's international economic policies since the Mexican debt crisis last summer.

His remarks are one of the first signs that after several years of focusing economic policies on fighting inflation, leading countries may now be shifting towards encouraging growth.

Mr Sprinkel, an arch-advocate of rigorous American anti-inflation policies, said growth was needed in at least four countries with low inflation rates – the U.S., West Germany, Japan and Britain. It was needed above all to help developing nations trying to boost exports, often under austerity programmes administered by the International Monetary Fund.

Resumed growth in the industrialised world would also help to forestall protectionism.

Mr Sprinkel was anxious to couch his comments in moderate tones. He made clear that he was not suggesting any massive relaxation of fiscal and monetary policies, which, he said, would lead only to more inflation.

His words might be taken to imply that the U.S. may favour some selected stimulus in key countries.

Speaking after a meeting yesterday of economic policy officials, at the Paris headquarters of the Organisation for Economic Co-operation and Development (OECD), Mr Sprinkel was careful to avoid giving specific prescriptions for economic policies in individual countries. He suggested that in some cases the sheer maintenance of existing policies might be sufficient to achieve expansion.

Yesterday's gathering at the OECD joined together experts from national governments in the organisation's Working Party Three to examine the debt and balance of payments outlook.

It was the first in a series of gatherings leading up to the meeting here tomorrow of finance ministers from the Group of Ten leading industrial countries.

It is the first full Group of Ten assembly outside an IMF meeting for 10 years – since the final breakdown of the fixed exchange rate Bretton Woods system in March, 1979.

M Jacques Delors, the French Finance Minister, and chairman of the group, will suggest to the meeting a programme of selected economic stimulus in individual countries.

Mr Sprinkel last night said he had not examined the French proposal. But the signs were that the Delors plan – which received a cold shoulder in the past – may now get a warmer reception.

Main item on the agenda at the Group of Ten meeting will be the proposed strengthening of the IMF's resources, chiefly through a large rise in member countries' quotas.

European governments favour a doubling or more of quotas. But Mr Sprinkel said the U.S. Government would not be able to achieve congressional approval for such a large rise.

On the balance between fighting inflation and restoring growth, Mr Sprinkel said there could be debate about whether countries had "adjusted" their economic positions sufficiently.

Habib begins shuttle to speed troop withdrawal

BY DAVID LENNON IN TEL AVIV

NEGOTIATIONS on the withdrawal of foreign forces from Lebanon gained a new sense of urgency after the decision of Mr Philip Habib to begin a shuttle between Jerusalem, Beirut and Damascus.

Mr Habib, the special U.S. Middle East Envoy, will hold discussions with senior officials in the three capitals to try to reach agreement on the general principles on withdrawal. This follows a push from Washington to speed up the negotiations.

At the same time, negotiating teams from Israel, Lebanon and the U.S. will continue to meet alternately in Lebanon and Israel to work out details of the agreement to withdraw Israel's invasion force.

Mr Menahem Begin, Israel's Prime Minister, yesterday appointed a three-man committee, including the Foreign and Defence Ministers, to conduct regular negotiations with Mr Habib. The team, which also includes the head of the Israeli delegation to the Lebanon talks, held its first meeting with U.S. diplomats last night. Mr Habib was expected to report to the team last night on talks held over the weekend in Beirut.

Mr Yitzhak Shamir, Israel's Foreign Minister, denied that Mr Habib had set a February 12 deadline for the start of the evacuation of Israeli, Syrian and Palestine Liberation Organisation forces from Lebanon. But Mr Begin yesterday revealed that a letter brought from President Ronald Reagan by the U.S. envoy urged him to speed up negotiations.

A new round of contacts also began between Lebanon and Syria over the weekend. A special envoy of Lebanon's President Amin Gemayel met Syria's President Hafez Assad in Damascus for three hours on Saturday.

But President Assad's statement indicated the difficulties ahead. He said that while he supported Lebanon's efforts to regain sovereignty over its territory, he would not allow Israel to "reap political or military gains out of its Lebanon invasion."

It was Israel's insistence that it develop normal relations with Lebanon in return for its withdrawal that held up the peace talks for the first three weeks as the sides wrangled over the agenda.

The U.S. and Israel do not see eye to eye on all aspects of the negotiations. Officials in Tel Aviv say that Mr Habib opposes Israel's demand for early-warning stations in Lebanon, the granting of special status to Major Saad Haddad, southern Lebanon's militia leader, and for ending the role of the United Nations peacekeeping force in southern Lebanon.

Israel's Commission of Inquiry into the Beirut massacre yesterday heard the final oral arguments of six of the witnesses who had been warned earlier that they could be harmed by its findings.

The three remaining witnesses, Mr Begin, Mr Shamir and General Yehoshua Saguy, head of Military Intelligence, are basing their arguments on earlier, written submissions.

The commission will now assess the 12,000 documents and other evidence it has collected. Its findings are expected to be submitted next month.

Spanish groups seek Japanese partner for electronics venture

BY TOM BURNS IN MADRID

SPAIN'S electronics industry is seeking Japanese partners to assist in the creation of a national manufacturing concern to compete with the emerging European grouping of Philips, Thomson-Brandt and Grundig.

Sr Jaime Llopis, chairman of Compania de Electrónica y Comunicaciones (Cesa), said that Spanish groups were in contact with Sharp, Hitachi, Toshiba and Mitsubishi. He hoped that a blueprint for an electronics venture would be presented to the Spanish Industry Ministry by March. Three other Spanish electronic companies, Elbe, Vieta and Telerasa, are associated with Cesa in the venture.

Thomson, the French state-owned electrical concern, has signed a letter of intent with Grundig to take a 75.5 per cent stake in the West German company. Philips, the Dutch electrical group, holds the remaining 24.5 per cent in Grundig. Thomson and Philips recently agreed in principle on co-operation.

The guiding principle behind the plan is to stop the European companies from acquiring control of more than the estimated 65 per cent of the Spanish market they already have.

Sr Llopis said the Spanish groups were seeking a lasting partnership with Japan to develop applied technology in the video field. A Spanish holding would offer participation in an underdeveloped market and "a springboard to Europe," Sr Llopis, said.

The move underlines an aggressive stand by the electronics sector in Spain, spearheaded by Cesa, a company which became the national electronics leader as a result of its association in the 1970s with the Hughes Aircraft Company to develop Spain's early-warning system. The company has since launched a wholly Spanish-manufactured personal computer, the Master-32.

Sr Llopis said Spanish manufacturers would press the Government to follow what he termed "the politics of Mitterrand" and the French commitment to high technology. Electronic demand in Spain is less than a third that of West Germany, he said, and the sector represented 1.5 per cent of gross national product of against 3 per cent in developed countries.

The Cesa chairman also called on the Government to set down guidelines on royalties, establish a code of conduct for multinationals in Spain and overhaul anti-trust legislation.

EEC bid to raise laser hi-fi duties, Page 3

Opec in new bid to agree quotas

By Richard Johns in Bahrain

THE Organisation of Petroleum Exporting Countries (OPEC) is expected to meet next Sunday in Geneva in a desperate bid to agree an effective quota system which would keep Opec's overall production at no more than 18.5m barrels a day.

The move will follow last month's Opec ministerial conference in Vienna, which produced a tenuous pricing and production agreement in the face of a glutted oil market.

The Vienna meeting raised the notional output by 1m b/d to 18.5 b/d. It left unanswered, however, the question of how production quotas would be allocated between member states, and thus failed to alleviate senior delegates' concern about Opec's ability to prevent a further fall in oil prices.

Saudi Arabia and other conservative Arab oil producers of the Gulf have decided against cutting their prices below the $34 per barrel official reference price to bring them into line with Opec members who have been offering discounts to maintain and increase sales.

The kingdom and its allies are worried that any significant reduction could result in an accelerated collapse of a badly eroded price structure.

Agreement on holding a ministerial "consultative conference" was reached in Bahrain at the weekend during discussions among chief delegates of eight Opec members. They included Mr Yahaya Dikko, of Nigeria, who as its current president is entitled to summon a meeting without a simple majority of the 13 states.

A majority was obtained, anyway at the informal meeting in Bahrain but there are doubts whether Iran, which is producing and selling as much oil as it can, will attend. Even so, it was hoped that a production programme could be adopted which would take into account Iran's policy.

Sheikh Ahmed Zaki Yamani, the Saudi Oil Minister, said he was hopeful the meeting would reach agreement. "There is a good chance this time," he said.

The talks on Saturday night and Sunday morning followed a meeting of the Gulf Co-operation Council. This groups the six traditional Arab regimes of the region – Saudi Arabia, Kuwait, the United Arab Emirates and Qatar,

Continued on Page 12

Thatcher sees no reason for pound to fall

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

THERE IS no sound reason for a further fall in sterling or a rise in UK interest rates, Britain's Prime Minister argued yesterday in an attempt to reassure the jittery financial markets.

Mrs Margaret Thatcher

In a national television interview, Mrs Margaret Thatcher refused to close any options about the date of the next general election, although she repeated her preference for "playing it long." The latest date is May 1984.

Mrs Thatcher significantly left open a loophole to justify an earlier rather than a later date, if she was persuaded of its necessity.

"There comes a time," she said, "when uncertainty can tell and it can affect a current Government's performance. At such times one has to consider what is the best date for a general election. It may be that we shall run on the whole way, it may be that I think it better to get rid of the uncertainty." In particular, she referred to uncertainty in international negotiations and in financial markets.

On the pound, Mrs Thatcher argued that the "rocking" was only temporary. She reaffirmed her commitment to a strong currency and against devaluation.

Indeed, she hinted that the pound might recover and warned "speculators" that they might get their fingers burnt if they sold sterling short.

Ministers believe that the 12 per cent drop in the average value of the pound since last October will not have as big an impact on inflation as some economists think.

Mrs Thatcher yesterday referred to a possible reduction in the profit margins of importers into the UK who want to keep their markets and to the weakness of commodity and oil prices.

Mrs Thatcher conceded that there might be "a little rise" in Britain's inflation rate, depending on what happens to sterling and to profit margins.

"But I believe that because we are holding financial policies firm, we shall keep a downward pull on inflation and we shall continue to go in a downward path, with a slight hiccup, possibly."

The Prime Minister's confidence that the sterling squall will blow over masks a lively internal Whitehall debate about what to do if the pressures are intensified.

There is a clear reluctance to raise interest rates further, especially since this might trigger a rise in the politically sensitive mortgage rate.

Ministers are clearly trying to draw the maximum political capital by arguing that the Labour Party is partly to blame for the fall in sterling, with its proposals for a big devaluation. These were described as "thoroughly irresponsible" by Mrs Thatcher yesterday.

Mr Michael Foot, the Labour leader, criticised the Prime Minister for failing to talk about unemployment, while Mr Robin Cook, a shadow Treasury spokesman, said that Labour had been correct to identify an overvalued exchange rate as being responsible for the decline in British industry.

Otherwise, Mrs Thatcher sounded a somewhat more conciliatory tone on the cruise missile issue, in line with that of Mr Francis Pym, the Foreign Secretary.

She emphasised a phased but "firm" approach. "If we start to deploy (cruise), it takes five years to deploy the full number, there will be plenty of time to get them down, provided the Russians will reduce theirs."

Mrs Thatcher reiterated her commitment to "substantial tax reductions in the long run," but she did not think they could be promised in the next budget.

She indicated that, while there are selective areas where public expenditure can be reduced, tax cuts could come from growth in the economy and in tax revenue. The priority then would be reducing the tax burden on individuals.

● Conservative Party leaders meanwhile are confident that Mrs Thatcher and the Government will escape relatively unscathed from the Franks report into the origins of the Falklands conflict, due to be published tomorrow.

The report is expected to focus on weaknesses in the coordination and

Continued on Page 12

CONTENTS

Reagan backs social security rescue proposal

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

PRESIDENT Ronald Reagan endorsed a $169bn rescue plan for the U.S.'s ailing social security system after a last-minute compromise agreement was reached by Republican and Democratic negotiators at the weekend.

The plan would raise the money through a combination of social security tax increases and delayed payment of benefits over the next seven years – a period in which it is estimated that between $150bn to $200bn will be needed to keep the system solvent. The Democrats had favoured putting the main emphasis on tax increases, the Republicans on reduced benefits.

The compromise proposal, which now goes to congress, appeared likely to win widespread bipartisan support, fulfilling Mr Reagan's aim of preventing the sensitive issue becoming a "political football." Mr Reagan got into political trouble when he first tried to reform the system last year.

The proposal was adopted by the bipartisan social security advisory commission that he set up a year ago in an attempt to defuse the issue by a vote of 12 to 3.

It received the immediate backing of both Republican and Democratic congressional leaders.

The plan proposes to raise $23bn over the seven-year period by extending the system to new federal employees and all non-profit organisations, and a further $40bn by advancing tax increases already scheduled for 1985 and 1990.

BASE LENDING RATES

A.B.N. Bank	11 %	■ Hambros Bank	11 %
Allied Irish Bank	11 %	Hargrave Secs. Ltd.	11 %
Amro Bank	11 %	Heritable & Gen. Trust	11 %
Henry Ansbacher	11 %	■ Hill Samuel	§11 %
Arbuthnot Latham	11 %	C. Hoare & Co.	†11 %
Armco Trust Ltd.	11 %	Hongkong & Shanghai	11 %
Associates Cap. Corp.	11 %	Kingsnorth Trust Ltd.	12 %
Banco de Bilbao	11 %	Knowsley & Co. Ltd.	11½%
Bank Hapoalim BM	11 %	Lloyds Bank	11 %
BCCI	11 %	Mallinhall Limited	11 %
Bank of Ireland	11 %	Edward Manson & Co.	12 %
Bank Leumi (UK) plc	11 %	Midland Bank	11 %
Bank of Cyprus	11 %	■ Samuel Montagu	11 %
Bank Street Sec. Ltd.	10½%	■ Morgan Grenfell	11 %
Banque Belge Ltd.	11 %	National Westminster	11 %
Banque du Rhone	12 %	Norwich Gen. Tst.	11 %
Barclays Bank	11 %	P. S. Refson & Co.	11 %
Beneficial Trust Ltd.	12 %	Roxburghe Guarantee	11½%
Bremar Holdings Ltd.	12 %	Royal Trust Co. Canada	11 %
Brit. Bank of Mid. East	11 %	Slavenburg's Bank	11 %
■ Brown Shipley	11 %	Standard Chartered	‖11 %
Canada Perm't Trust	11½%	Trade Dev. Bank	11 %
Castle Court Trust Ltd.	11½%	Trustee Savings Bank	11 %
Cayzer Ltd.	11 %	TCB	11 %
Cedar Holdings	10 %	United Bank of Kuwait	11 %
■ Charterhouse Japhet	11 %	Volkskas Intl. Ltd.	11 %
Choulartons	11½%	Westpac Banking Corp.	11 %
Citibank Savings	¶ 9 %	Whiteaway Laidlaw	11½%
Clydesdale Bank	11 %	Williams & Glyn's	11 %
C. E. Coates	12 %	Wintrust Secs. Ltd.	11 %
Comm. Bk of N. East	11 %	Yorkshire Bank	11 %
Consolidated Credits	11 %		
Co-operative Bank	*11 %		
The Cyprus Popular Bk	11 %		
Duncan Lawrie	11 %		
E. T. Trust	11 %		
Exeter Trust Ltd.	12 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	12½%		
Robert Fraser	12 %		
Grindlays Bank	‡11 %		
■ Guinness Mahon	11 %		
Gulf. G'tee Trust Ltd.	12 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8%. 1-month 8.25%. Short-term £8,000/12-months 10.6%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8½%, £50,000 and over 9½%.
‡ Call deposits £1,000 and over 8%.
‖ 21-day deposits over £1,000 9%.
§ Demand deposits 8%.
¶ Mortgage base rate.

$2bn cost of closing Dutch N-plants

By Walter Ellis in Amsterdam

THE CLOSURE of the Netherlands' two existing nuclear power stations would cost the country Fl 5bn ($2bn) and set back the cause of Dutch nuclear research for the rest of this century, according to a report by a government committee of inquiry.

The report, commissioned in 1981, was appointed to look into the possible closure of the two plants following the widespread expression of public concern about the safety of atomic power. A separate inquiry, covering nuclear policy as a whole, will report later in the year, but a compilation of evidence set before the committee will be published before the end of this month.

Had it not been for public disquiet, it is likely that the Netherlands would now have an extensive system of atomic power stations. The first, at Borssele in the southwestern province of Zeeland, was designed on an experimental basis and, although important to its region, produces only 50 MW of power. The second at Dodewaard, serving Arnheim and Nijmegen in the east, generates 477 MW.

Borssele was in the news recently when a leak of radioactive water was discovered.

The committee looking into the future of the two stations concludes that closure would lead to a flight of nuclear researchers from the Netherlands. It points out that mothballing the plants would cost only Fl 1bn and would leave open the possibility of their being revived at a later date.

As to whose financial responsibility it would be if both were forcibly shut, the committee argues that the state, as the responsible agent, would have to bear the burden, and not the local authorities.

Closure of Borssele would cause the direct loss of 250 jobs and could, according to trade unionists, lead to the loss of a further 2,100 jobs at a nearby aluminium smelter and 3,000 at the local Hoesch steelworks. Dodewaard is less vital to its area, but at least 200 workers at the plant itself would face dismissal.

Anthony Robinson reports on the Soviet drive to improve food supplies

Not by bread alone

EVER SINCE Mr Yuri Andropov came to power in the Soviet Union two months ago, the authorities have made a major effort to improve the supply of food to the shops in Moscow and other cities.

At the same time, however, standing in queues has become a more risky business for those who take off time from work to do so. The mounting drive for greater labour discipline has sent militia into the streets to check up on documents of should-be-workers – especially if the queue in question is for vodka.

As word has spread of the new controls, queues have grown noticeably smaller, but more abundant supplies have also helped. Recently, for example, it was possible to buy, without queueing, a kilo of Egyptian oranges and tangerines for two roubles ($2.80) straight from a pile of wooden boxes dumped on the pavement from a truck: the usual form of retail sale when a supply of perishable goods arrives in town.

Meat shops have also been supplied from frozen pork, beef and mutton in quantities usually seen only on big public holidays. Well wrapped and meaty frozen chickens from Hungary, Yugoslavia and Western Europe for three roubles a kilo are also to be found in stores as a welcome change from the scraggy and half-starved domestic birds usually on sale.

Both stick, in the form of punishment for slacking and labour indiscipline, and carrot, in the form of improved food supplies, are being used to push the message that, under the new regime, virtue will have its reward. At the same time, shop opening hours are to be extended to give workers more time to queue after work.

But the dedication of a whole page in the party newspaper, Pravda, last week to the subject of bread indicates that something more than temporary palliatives and punishment may be in prospect.

The Soviets are among the world's greatest bread eaters. Their bread factories turn out 21m tons a year, Pravda said. The price of bread has not changed for decades and a one-kilo loaf of tasty black rye bread for example is still a mere 18 kopecks (25 cents).

But the gist of selected Pravda readers' letters and the opinions of bread factory managers, sales assistants and Mr Fyodor Kolomiets, the deputy food industry minister, as expressed in Pravda, is that bread is too cheap and people have lost their respect for it.

Indeed, bread is so cheap that in many parts of the country it is fed to cattle as fodder, while millions of tons are wasted annually because factories produce large loaves, to fulfil their planned output targets, and people simply throw away what they cannot eat.

Some readers also complained that bread standards are not what they were and that bread goes stale too quickly. These claims were quickly denied by Mr Kolomiets, who added that plan criteria have been changed to encourage the baking of more, but smaller, loaves.

Whatever the finer points of bread production, however, the underlying reason for Pravda's lavish donation of space to the subject appears to be to prepare public opinion for a possible price rise.

A similar campaign also appears to be under way to prepare people for a rise in housing rents and utilities, although public transport, the other main subsidised item in the average Soviet citizen's budget, has not been mentioned so far.

As far as the market economy is concerned, a reduction in food and other subsidies, on lines now being carried out by Hungary over a 12-year period, would help the move towards a more rational pricing system and reduce the burden of subsidies on the state budget.

It makes little sense, for example, to buy bread for 18 kopecks a loaf when a kilo of cucumbers in the local collective farm market costs 15 roubles and a kilo of tomatoes 10 roubles.

But cheap bread is one of the symbols of Soviet-style socialism – abolish that, and one of the pillars of the Soviet social contract crumbles. When Mr Andropov grasps that nettle, then it will be possible to speak of a new economic policy.

Hugh Routledge

Moscow cucumbers – nearly 100 times dearer than bread

Opposition grows to Irish deficit target

BY BRENDAN KEENAN IN DUBLIN

MR ALAN DUKES, the Irish Finance Minister, and his departmental officials may fail in their efforts to have the Government set a target of I£750m ($1.05bn) for this year's deficit on current spending. There is growing opposition to such a target from Labour ministers in the ruling coalition government, and from some members of the major coalition party, Fine Gael.

They would like to see the Government settle for a deficit of about I£900m. This was the figure mentioned in the inter-party talks which led to the formation of the coalition.

Officials are believed to be unhappy about any change from the lower figure. This was set by the previous government, which was defeated in November's general election. Officials believe that the climate for international borrowing may become more difficult and they must also keep an eye on Ireland's own credit rating.

The issue has been complicated by the absence of the Labour Party leader and deputy Prime Minister, Mr Dick Spring. He has been undergoing follow-up surgery as a result of injuries received in a car accident a year ago.

Mr Spring is expected back at his desk in time for three days Cabinet discussion on budget strategy next week.

Hayden reshuffles Shadow Ministers

BY COLIN CHAPMAN IN SYDNEY

IN A bid to regain the political initiative already seized by the federal government in election year, the Australian Labour Party has reshuffled its Shadow Cabinet. The reshuffle acknowledges that the man to fear is Mr John Howard, the federal treasurer whose political leadership in the ten weeks that Prime Minister Mr Malcolm Fraser has been away recovering from a spinal operation has marked him out as Fraser's potential successor.

Mr Bill Hayden the opposition leader has increased the size and strength of his economic team by putting two men to mark Mr Howard – Mr Ralph Willis, the present economic spokesman, and Mr Paul Keating, the chairman of the New South Wales Labour Party. He has also moved an aggressive west Australian Mr John Dawkins, education spokesman, to the key shadow cabinet post of industry and commerce, where he will confront Mr Andrew Peacock.

But it is Mr Keating, a skilful party machine man, who has been given the top job after Mr Hayden's. The irony of his elevation to the rank of Shadow Treasurer is that as a central, if reluctant figure in Mr Robert Hawke's unsuccessful leadership challenge last July, he is now the major figure in Mr Hayden's new strategy, and, win or lose, Mr Keating, if he does his job well, must become the obvious candidate to succeed Mr Hayden.

Eanes studies new coalition cabinet plan

By Diana Smith in Lisbon

PRESIDENT Antonio Ramalho Eanes of Portugal is studying the Democratic Alliance's (AD) choice of Prof Vitor Crespo and a coalition Cabinet of Social Democrats, Christian Democrats and Monarchists containing mostly second team personalities.

Before announcing his decision, President Eanes plans to consult AD leaders, the main opposition parties and governors of the Bank of Portugal, which is playing a crucial role in the budgetless administration of Portugal's meagre finances.

Opposition calls for presidential rejection of the Crespo government and a snap general election have grown louder each day.

M Jobert . . . equilibrium

Moscow to cut trade surplus

By David Marsh in Paris

FRANCE and the Soviet Union closed two days of trade talks in Paris last week with a declaration that Moscow's mounting bilateral trade surplus would be cut by half this year as a result of rising Russian imports.

M Michel Jobert, the French Foreign Trade Minister, who co-chaired the meeting with Mr Gouri Martchouk, a vice-president of the Soviet Council of Ministers, said both sides believed the imbalance could be cut as part of a plan to reach rough equilibrium in two years.

The Soviet Union chalked up a surplus with France of about FFr 9bn (£850m) last year after FFr 8.3bn in 1981. The aim is to bring the imbalance this year down to about FFr 5bn, the level in 1980.

Projects

Mr Martchouk said further French projects could follow the signing at the end of last year of a FFr 2.7bn order for Technip and Creusot-Loire to instal a sulphur extraction plant in Astrakhan.

France has already agreed to step up supplies of farm products to Moscow under an accord clinched by M Edith Cresson, the Agriculture Minister last autumn.

Other possible areas for cooperation between the two countries include oil and gas exploitation, especially in the Continental Shelf of the Barents Sea, the extraction of copper in the Oudokhan region and the improvement of railways in connection with natural gas projects.

Follow the unwritten rules in China

BY LYNTON McLAIN

CHINA, the land of acupuncture and traditional folk medicine, is turning to the West for the skills to make its own advanced X-ray and electron beam machines for the treatment of cancer.

This is the result of a joint production contract with a highly specialised British electronics group, MEL, part of the Dutch Philips group, and better known for its work on electronic warfare equipment for the Royal Navy.

The contract, announced towards the end of last year, had to be approved by the British and Chinese governments. It calls for the sale of advanced linear particle accelerators to China and the sharing of British expertise to enable the Chinese to make the machines in Peking.

Linear accelerators are massive, complex machines. They are used in hospitals for directing high-energy beams of X-rays and electrons with great precision to kill tumours in cancer patients. British hospitals are among the leaders in the world using the technology and have installed between 75 and 80 accelerators for cancer treatment.

The acquisition of such advanced technology in a specialised field may appear bizarre in view of China's pressing problems in trying to raise living standards by encouraging economic growth.

However, the agreement is one of a series of joint production agreements signed in the past year between China and Western electronics and engineering companies. These agreements appear to be in line with one of the crucial "major tasks" adopted by the National People's Congress in June 1979.

The Chinese people were urged: "Continue to do a good job in importing technology. Do a good job of manufacturing parts and accessories for imported equipment and raise China's ability to produce industrial equipment."

The most spectacular of these arrangements was the agreement reached in December by Volkswagen, West Germany's leading motor manufacturer and the Shanghai Tractor and Automobile Corporation and the Bank of China. The two sides are to investigate setting up a joint venture.

Cable and Wireless, the British telecommunications company, signed a joint venture agreement in the autumn with authorities in Guandong province. Clark Copy International of the U.S. signed a joint agreement in April and Nippon Electric signed an agreement with a Chinese computer organisation to set up a joint software centre in Peking.

MEL won the latest joint production contract in competition with Siemens, the world's largest producer of linear accelerators, General Electric of the U.S. and Toshiba of Japan.

The British company is modest about its success. It has no doubts about the quality of the people it dealt with in China—their understanding, negotiating skills and the clarity of their objectives.

"The secret is not to underestimate the Chinese. They know the right questions and were well able to assess what we were doing," Mr Jim Quirk, manager of the Particle Accelerator Division of MEL said.

MEL followed all the unwritten rules about relations with the Chinese in its first, tentative commercial dealings. "The usual thing in China is to give a lecture, so we gave a lecture on our accelerators," Mr Quirk said.

The company used a Dutch trading agent in China, Sembodger, to help smooth the way through the bureaucracy. The agent used local Chinese staff. These included four trained language secretaries, an invaluable asset, as all documents had to be in Chinese and English.

Mr Quirk spent six days in final negotiations in Peking. "Some of our meetings were in my hotel room. They often came back after dinner and on Saturday and Sunday. The Chinese work very long hours, much longer than I did and they had to rush around getting permission from superiors and the Bank of China."

Chinese officials, including Dr Chen, the Vice-Minister of Public Health, also visited MEL at Crawley. "They usually take you to the Great Wall after work on Sunday," Mr Quirk said.

The £3m agreement finally signed by MEL was with the Beijing Medical Equipment Institute and the Beijing Economic Development Corporation. It calls for the joint production of six 20m electron volt accelerators, some of the most powerful cancer treatment machines in the world.

China will benefit from access to MEL's high technology and MEL will benefit through the availability of high quality, low cost engineering facilities in Peking. The first accelerator was delivered recently. British and Chinese engineers will instal the machines. The other five accelerators will be made at the Beijing Medical Equipment Institute using kits supplied by MEL.

The company attributes its success with high technology exports to China to half a dozen vital factors. The "establishment of confidence in MEL and good relations between our staff and Chinese contacts" is at the top of the list according to Mr Quirk.

The company also recognised the reasons for the slowness of negotiations—the need in China for consensus, the language barrier and slow bureaucratic processes.

"Willingness on our part to be open about the details of our manufacturing operation and to give advice on buildings and plant required by the Chinese also helped," Mr Quirk said. Perhaps, above all, "price is very important. The Chinese are very shrewd negotiators and are well able to assess the value of the deal being offered."

The £3m value of the contract appears modest after more than 18 years of effort by the company in the Chinese market, but MEL sees the award as an accolade of approval by one of the world's largest potential markets for cancer treatment.

Up to 300 linear accelerators, worth £150m, could be installed in China eventually the company forecasts and China is unlikely to be able to meet all this demand from its own newly-acquired skills.

U.S. restricts Chinese textiles

By Tony Walker in Peking

THE U.S. imposed unilateral restrictions on Chinese textile imports over the weekend following the failure of Chinese and U.S. negotiators to reach agreement after a week of discussion in Peking.

For the more than 20 items covered by quotas, imports into the U.S. market will now be held at the same level as in the previous agreement.

China reacted angrily to the U.S. decision and hinted that it may retaliate against U.S. products in the Chinese market. Li Dengshan, the chief Chinese negotiator at the failed talks which ended in Peking on Thursday, said that the Chinese side would have to "respond strongly."

Mr Peter Murphy, the U.S. negotiator, said the U.S. side was "disappointed" by the failure to reach agreement. He described the gap between the two sides as "significant."

The U.S. is believed to be seeking to restrict growth in imports of Chinese textiles covered by quota to between 1.5 and 2 per cent. China is understood to be asking for an increase of 6 per cent. Under the previous agreement, the growth in such Chinese textile imports in 1982 was about 4.25 per cent, according to Mr Murphy.

The U.S. recently concluded agreements with its principal textile suppliers—Hong Kong, Taiwan and South Korea—under which import growth in each case was held to about 1 per cent.

China is claiming special treatment on the grounds that it is a "secondary supplier," but U.S. officials point out that Chinese textiles now account for about 10 per cent of textile imports into the American market. In 1982, the value of Chinese textile imports into the U.S. exceeded $800m.

Li Dengshan accused the U.S. of "lacking sincerity" after the talks broke down on Thursday. "The U.S. side is responsible for the failure of our fourth round of talks to reach agreement," Li was quoted as saying.

The Chinese charged that the U.S. had only made "symbolic concessions" in the negotiations and "even took a step back on certain questions." The textiles issue seems certain to be raised during the forthcoming visit to China of Mr George Shultz, the U.S. Secretary of State, who will be in Peking early next month.

Japanese package welcomed

By Giles Merritt in Brussels

THE EUROPEAN Commission has given a guardedly cautious welcome to the Japanese Government's new package of import liberalisation measures.

But a Brussels spokesman emphasised that the various tariff cuts and other non-tariff measures which have been announced by Japan in a fresh bid to ease trade tensions with the EEC and the U.S. still require close study. He pointed out too that the European community's trade deficit with Japan amounted to some $14bn (£8.8bn) for 1982.

The Brussels Commission's first impressions of the new Japanese liberalisation package are that they mark an attempt by Tokyo to tackle the list of trade concessions demanded a month ago by the EEC Council of Ministers. EEC member governments had sought "tangible assurances" from Japan that 1983 would see new policies of export restraint coupled with import liberalisation.

The aspect of the Japanese measures, agreed by senior economic ministers in Tokyo on January 13, which most appeals to the Brussels Commission is the move to review the standards and import approval procedres that are widely considered to constitute non-tariff barriers to trade.

Aid to India 'not on offer'

By Our World Trade Staff

THE Overseas Development Administration (ODA) yesterday denied that the UK Government had offered India £450m of aid to help the financing of a thermal power plant, a zinc smelter, modernisation of a steel plant, and a telecommunications project.

Reports of the offer emerged from India following meetings in New Delhi between Mr Peter Rees, the Minister for Trade, and Indian leaders. They appear to have been based on an initial misunderstanding among Indian officials of the nature of British interest in the planned projects.

But, the ODA emphasised, the Government is ready to consider Indian requests for new aid and it had always been made clear consideration would be given to help with the funding of any purchases from the UK for a new steel plant at Daitan in Orissa state.

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SHIPPING REPORT

Secondhand prices slump

BY ANDREW FISHER, SHIPPING CORRESPONDENT

FOR ANYONE bold enough to buy secondhand ships in a collapsing worldwide market, 1982 was a bumper year. But while low prices may have been too tempting to resist, finding immediate employment for the tonnage was hard. So most went straight into lay-up.

Secondhand ship prices slumped by 45 per cent last year, said Lambert Brothers Shipbroking, following a 36 per cent drop the year before.

Hardest hit were the big ships, with the price for a five-year old VLCC (very large crude carrier) down by 62 per cent against only 23 per cent for tweendeckers (with general cargo stowed at several levels) of the same age.

Tonnage sold secondhand in 1982 increased by 6m deadweight tons to 36m dwt, mostly due to more sales of bulk carrier tonnage and tankers over 100,000 dwt.

But laid-up tonnage now exceeds 80m dwt. Lambert said there were plenty of candidates for scrapping among this total, including 6.3m dwt aged over 20 years.

SOVIET merchant ships refusing to pay big increases in service charges in the Bosphorus and Dardanelles Straits have run up a debt of about 700m Turkish lira (£2.3m), according to a senior shipping agent in Istanbul, Reuter reports from Ankara.

On December 16 Soviet vessels stopped paying the charges for sanitary, lighting and lifesaving services, which were raised tenfold in mid-November. About 580 Soviet merchantmen use the straits every month.

These days, a five-year-old VLCC, fitted with the latest safety and anti-pollution equipment fetches only around $3.25m; for a 10-year-old ship, the price is only $2.3m. But the market has been surprised by a few sales at even lower levels.

As for freight markets last week, the mood was mostly bleak. Denholm Coates reported, however, that some dry cargo rates had inched ahead—"while these advances leave all freights at disastrously low levels, it is good for the market psychologically to have even a modest improvement in sight."

On the tanker market, Galbraith Wrightson said: "There seems to have been an almost unprecedented scramble by owners to fix their tankers at ever-decreasing rates, and charterers, in some cases, have found it hard to believe their luck."

With little demand from the U.S., tanker owners have been forced to concentrate on cargoes for Europe. Rates from Kharg Island, off Iran, weakened.

World Economic Indicators

TRADE STATISTICS

		Nov. '82	Oct. '82	Sept. '82	Nov. '81
UK £bn	Exports	4.934	4.703	4.757	4.790
	Imports	4.464	4.440	4.500	4.739
	Balance	+0.470	+0.259	+0.257	+0.051
U.S. U.S.$bn	Exports	15.693	16.698	17.387	19.153
	Imports	18.937	21.096	20.644	22.508
	Balance	−3.244	−4.398	−3.257	−3.355
W. Germany DMbn	Exports	36.6	35.87	36.15	36.12
	Imports	31.8	31.88	30.97	32.17
	Balance	+4.8	+4.00	+5.18	+3.95
France FFrbn	Exports	57.6	56.3	52.7	50.7
	Imports	64.5	62.6	64.9	57.4
	Balance	−6.9	−6.3	−12.2	−6.7
		Oct. '82	Sept. '82	Aug. '82	Oct. '81
Italy Lirebn	Exports	7,834	7,671	8,193	8,576
	Imports	9,322	10,043	9,705	9,031
	Balance	−1,487	−2,372	−1,512	−455
Japan Yenbn	Exports	3,017	2,935	2,893	3,084
	Imports	2,855	2,704	2,776	2,702
	Balance	+163	+230	+116	+382
Belgium BFrbn	Exports	236.50	234.13	144.40	199.97
	Imports	208.72	216.17	184.26	200.06
	Balance	+27.78	+17.96	−39.86	−0.09

Move to raise laser hi-fi levy

BRUSSELS – The European Commission is reported to have asked EEC member governments for permission to negotiate, through the General Agreement on Tariffs and Trade (GATT), a doubling of import duties on laser operated record players.

The Brussels move is understood to be aimed at forestalling an expected Japanese move to capture the market for a new generation of hi-fi equipment in Europe.

The Commission wants duties raised to 19 per cent from 9.5 per cent for the next five years to allow European companies to establish themselves in the market after the European players are launched in March.

There are fears that Japanese companies which have about 75 per cent of the community's hi-fi market, could use this dominant position to undercut European producers in the laser hi-fi equipment sector.

The new players replace the traditional diamond stylus and grooved disc system with a tiny laser which picks up electronic impulses from a specially-constructed disc without actually touching it.

Because there is no actual contact with the disc, laser systems give much better sound quality. They eliminate the distortion caused by friction and worn parts on present record players and the hiss and crackle of magnetic recording tape.

Commission officials said Philips, the Dutch group, was producing laser players

Reuter

Foreign crew deal for Greek shipping

By Victor Walker in Athens

GREEK SHIPOWNERS have wrested from the socialist Government a conditional right to employ non-Greek lower deck crew through bilateral agreements with Third World seamen's unions. The owners hope the measure will give them a more competitive edge in the present world shipping crisis.

The package of measures, announced by Mr George Katsifaras, the merchant navy minister, contains several conditions which reflect the growing unemployment in the shipping sector. They follow almost four months of tough negotiations between the Government and the Union of Greek Shipowners (UGS).

Mr Katsifaras said the UGS will be allowed to conclude bilateral crewing accords with the seamen's unions of Third World countries at rates of pay current in the seamen's own country. Such agreements, valid for two years, will be submitted to the Ministry of Merchant Marine for approval and will apply only if no Greek seamen are available to fill vacant jobs.

The measures provide that Greek shipowners will dismiss all foreign officers on board their ships and replace them with Greeks and that they will not use non-Greeks for more than 30 per cent of a ship's total crew.

Every vessel over 1,500 gross tons using more than two foreigners will pay a levy of 2,500 drachmas ($30) a day – reduced to 1,500 drachmans a day for up to two foreign ratings – to a special fund to be administered by the seamen's pension fund. Contributions to the special fund will help cover payments to unemployed Greek seamen.

STATISTICAL TRENDS: INDUSTRIAL PRODUCTION

Little sign of upturn in world economy

THERE was little sign in 1982 of the long-awaited upturn in world economy. But the figures do hide significant differences between important groups of countries. Overall, industrial output in developed countries remained fairly flat since 1979, appearing to fall sharply in 1982. The EEC figures also follow this trend though 1982 appears to have been a better year. Developing countries' output also appears to have recovered during the last year. The best record is that of the centrally planned economies where production levels have shown significant increases over each of the past 10 years.

Over the past 10 years investment levels have tended to follow trends in industrial performance. Thus, after the first oil-price shock years of the mid-1970s real gross fixed capital formation was reduced. This was not repeated until 1982 when the EEC, the U.S. and Japan all showed reduced investment figures.

Commentary by Our Economics Staff; data analysis by Financial Times Statistics Unit; charts and graphs by Financial Times Charts Department.

Increasing unemployment does not seem to have brought correspondingly high improvements in productivity over the past few years. UK productivity seems to have improved during 1982 bringing it back to the 1979 level. The first six months of 1982 show a sharp fall in U.S. productivity which, together with the levels of industrial capacity utilisation, perhaps give an indication of the impact of the recession there. Japanese productivity continues to rise, albeit slower, despite the cutback in real investment.

Trade in oil has been of paramount importance to developing countries over the past 20 years. Those exporting oil have recorded an increase in manufacturing industry's share of gross domestic product while oil importers have been unable to build up this vital sector. In industrial countries the shift has been away from manufacturing, to services.

Manufacturing production in the EEC appeared to be picking up in the first quarter of 1982 but more recent figures suggest that the complete year's output has followed the recent trend downwards. Employment levels have fallen in the EEC countries, in particular in the UK.

Earnings from manufactured goods exports have been particularly buoyant for the U.S., while West Germany has suffered from the recent revaluation of the dollar. However, export figures in volume terms show the continuing expansion of Japanese sales though this slowed in the first half of 1982.

Figures for world textiles production show not only the effects of the recession but the increasing importance of some individual developing countries. Textile production has also been a significant growth area within the centrally planned economies.

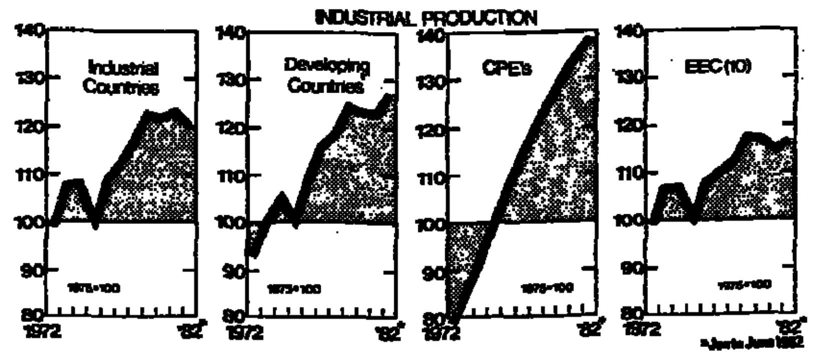
Japan consolidated its position in the world motor industry in 1981 becoming the major exporters in gross as well as net terms. Its dominance in world shipbuilding has slipped slightly since 1975 but Japan still produces over one-third of the total.

REAL VALUE ADDED IN INDUSTRY
Annual % change

	1972	1973	1974	1975	1976	1977	1978	1979	1980
U.S.	7.4	7.1	−5.8	−4.9	8.3	6.5	4.8	2.7	
Japan	10.1	12.1	−3.4	−0.5	8.9	5.6	7.6	8.1	7.1
W. Ger.	3.4	5.4	−0.8	−5.2	6.2	2.5	2.1	5.1	0.9
France	6.1	5.4	3.4	−1.1	5.1	3.1	1.7	2.5	−0.9
UK	2.3	8.1	−2.3	−4.8	2.7	4.7	3.3	3.8	−6.9
Italy	3.7	9.1	4.6	−9.0	10.0	1.4	2.1	5.6	4.8
Canada	6.7	9.2	3.3	−4.0	5.3	1.7	2.5	4.6	−2.0
Total	6.4	7.7	−2.5	−4.1	7.3	4.7	4.2	4.3	1.0

Source: OECD

General

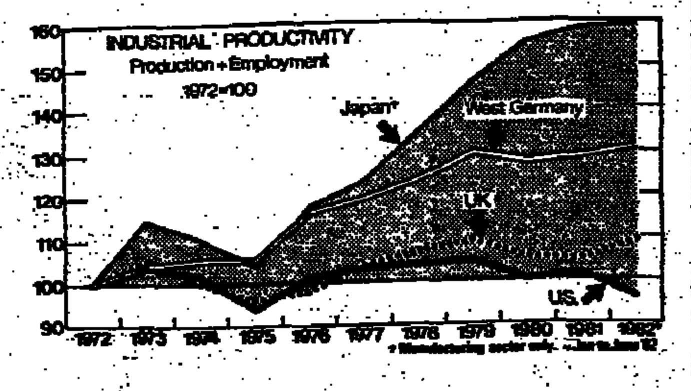


REAL GROSS FIXED CAPITAL FORMATION
(Annual % change)

	U.S.	Japan	EEC
1972	9.0	10.4	3.5
1973	5.7	13.7	4.5
1974	−6.4	−9.1	−3.6
1975	−11.9	−1.1	−4.8
1976	6.5	3.0	3.5
1977	9.1	4.8	1.3
1978	7.1	9.4	2.9
1979	1.7	6.3	4.3
1980	−7.1	0.2	2.4
1981	1.7	2.1	−3.1
1982*	−4.4	−1.3	−2.1

* January-June; EEC January-March.

Sources: OECD, Eurostat



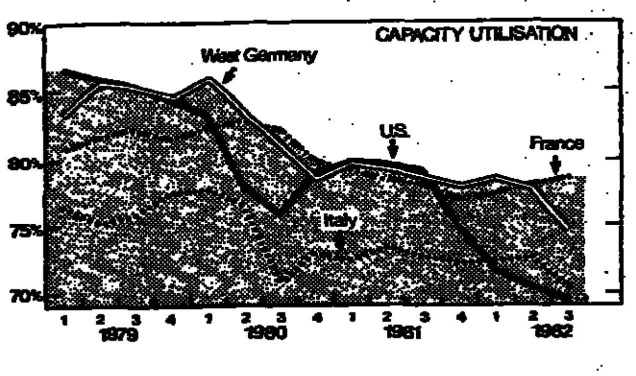
Manufacturing

STOCKBUILDING
(Annual change as % of GDP)

	Japan	U.S.	W. Germany	UK
1975	0.3	−0.4	−0.1	−1.4
1976	0.7	0.7	1.3	0.6
1977	0.7	1.0	1.2	1.3
1978	0.6	1.1	0.8	0.7
1979	1.0	0.5	2.0	1.3
1980	1.0	−0.3	1.3	−1.7
1981	0.4	0.6	−0.1	−1.7
1982*	0.6	−0.7	−0.5	0

* January-June.

Source: OECD

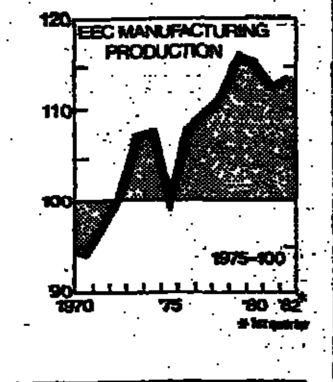


MANUFACTURING CONTRIBUTION TO GDP (%)

	1960	1980
Industrial market economies	30	27
High-income oil exporters	—	4
Middle-income oil exporters	13	16
Middle-income oil importers	23	23
Low-income economies	12	15
Centrally planned economies*	62	63

* All industry, based on Net Material Product.

Source: World Bank

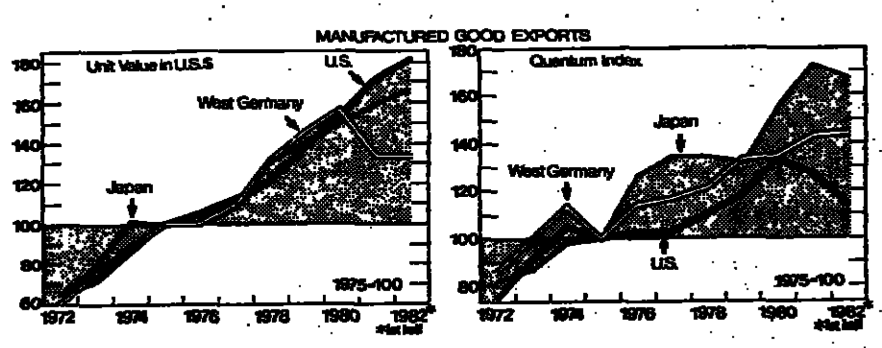


Products

MANUFACTURING EMPLOYMENT
(Annual % change)

	1970-74	1974-78	1979	1980	1981
W. Ger.	−1.2	−2.0	0.8	0.8	−1.8
U.S.	0.9	0.5	2.6	−3.5	—
UK	−1.0	−1.9	−1.3	−4.6	−10.9
France	1.2	−1.4	−1.7	−1.4	−3.3
Italy	0.7	−0.2	0.3	0.6	—
N'th'lands	−1.9	−2.8	−1.3	−1.0	−3.0

Source: UN



CHEMICAL PRODUCTION
(1975=110)

	U.S.	Japan	W. Germany
1976	115	112	112
1977	123	117	115
1978	136	125	120
1979	143	136	129
1980	139	136	123
1981	145	134	120
1982*	133	136	118

* January-September.

Source: OECD

WORLD SHIPBUILDING
Merchant vessels under construction
('00 gross reg. ton, % of world total*, end of period)

	1975		June 1982	
Japan	12,497	36.1	5,747	34.4
France	1,859	5.4	471	2.8
W. Germany	1,775	5.1	486	2.9
Spain	2,165	6.2	1,097	6.5
UK	1,880	5.4	733	4.4
U.S.	2,108	6.1	628	3.8
Rep. of Korea	996	2.9	1,121	6.7
Sweden	2,166	6.2	398	2.4
Belgium	282	0.8	358	2.1
Italy	1,810	5.2	348	2.1

* Excluding USSR and China.

Source: UN

MAJOR EXPORTERS OF AUTOMOTIVE PRODUCTS (U.S.$bn)

	Exports 1980	Exports 1981	Net 1980	Exports 1981
Japan	27.0	31.1	26.3	30.6
W. Germany	28.9	27.2	20.5	20.0
France	13.7	11.5	6.1	4.4
UK	8.4		0.5	
Belgium	6.5	5.8	−0.8	−0.4
Italy	6.2	5.3	−1.3	−1.3
Canada	9.6	11.5	−2.4	−2.2
U.S.	17.0	19.1	−10.8	−8.0

Source: Gatt

WORLD TEXTILE PRODUCTION
(Annual % change in volume)

	1963-73	1973-81	1979	1980	1981
World	5	1	3	−½	—
Industrialised countries	4½	−1	5	−2	−3½
of which:—					
EEC (10)	2	−1½	5½	−3	−5½
U.S.	4½	−½	5½	−4½	−2
Japan	7½	−1½	2	−1	−1½
Developing countries	4½	—	2	0	—
CPEs	6	4	1½	2½	3

Source: Gatt

SPUN YARN PRODUCTION
(m. kilos)

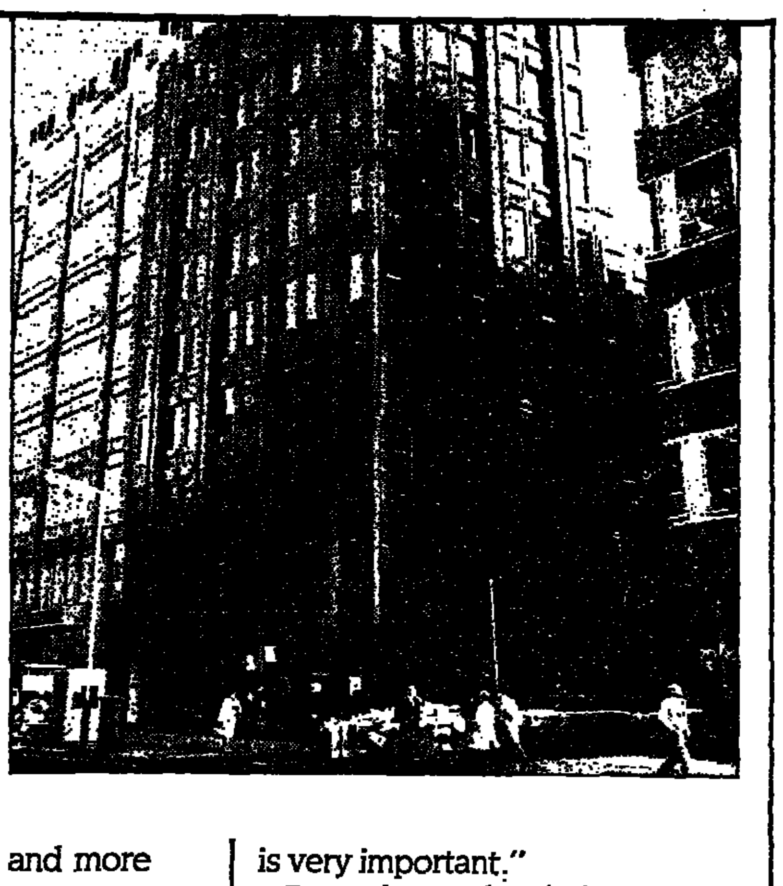
	1977	1981
UK	175.4	93.9
France	229.3	195.6
W. Germany	428.2	357.7
U.S.	2,048.5	1,825.9
Japan	1,030.0	1,049.0
Taiwan	401.4	524.3
India	1,121.8	1,279.7

Source: Textiles Statistics Bureau.

هكذا في الأصل

With decade-long ties to the City, Yamaichi International (Europe) Limited looks forward to expansion and diversification of its securities services.

By Dick Wilson



AN INSIDE VIEW OF YAMAICHI INTERNATIONAL

FIRST LONDON OFFICE ESTABLISHED IN 1964

Yamaichi International (Europe) Limited is ten years old today. Japan's premier securities house, Yamaichi Securities Co., Ltd., first opened a representative office in London in 1964 when President Kennedy's changes in the U.S. taxation system induced Japanese borrowers to move to the London market. The $5 million Convertible Debenture issue of Canon, the camera and office machine maker, was the first highly successful entry by Yamaichi into the London market, since then it has never looked bàck.

Today the business has greatly diversified. The representative office grew first into a branch in 1970 and then into a separate U.K. company with authorised capital of £1 million. The staff now exceeds seventy, occupying a suite of modern offices at Finsbury Pavement.

The resident Director of Yamaichi Securities there is Katsuhisa Yamada, but you would be lucky to find him in. The London company co-ordinates the work of four other Yamaichi offices in Europe and one in Bahrain, and Mr. Yamada spends about half his time travelling.

"I took up my post here in London," he said, "only last month, and already I have had to make two trips to Switzerland and one to the USA." (He was here once before, as Managing Director of the London Company, in the late 1970s.)

Yamaichi International (Europe) —YIE—engages in a wide variety of investment banking facilities, especially major European and yen currency underwriting, stockbroking and dealing. Under its Managing Director, Hitoshi Tanaka, who was last here as a London School of Economics student twenty years ago, it helps Japanese corporations in their foreign debt and equity financing and is recognised in Japan as a leader in this field.

Another side to YIE's activities is assisting Japanese companies in their direct investments in Europe, including mergers and acquisitions, and advising institutional clients on overseas portfolio investments in bonds and equities. In 1981 it handled almost 30% of domestic Japanese transactions in foreign stocks and 24% of those in foreign bonds.

In the reverse direction, YIE advises European governments, governmental entities and private corporations as well as international organisations in both public and private yen financing on the yen capital market in Tokyo. In 1981 it helped Yamaichi Securities to gain the top position in terms of lead management on this yen capital market.

IN 1982, YIE TOOK PART IN 240 U.K., EURO-BOND ISSUES

As an indicator of the volume of underwriting business, YIE in 1982 lead-managed or co-managed no fewer than 44 Euro-currency issues. The company participated as a syndicate member in altogether no less than 240 UK and Euro-bond issues.

In the early part of the year YIE participated in several zero coupon bonds, the popularity of which has been well established in Japan. Although the markets were lacklustre for much of this past year, the Japanese stock market started to revive in October with lower US interest rates and a stronger yen, and a better year is expected in 1983.

The weakened yen provided an incentive for YIE to diversify further, away from its traditional Japanese equity-linked business, and move into the bond business.

This means Japanese Government bonds, yen 'samurai' bonds, Euro-yen bonds and Euro-dollar bonds. YIE has, of course, been involved in Euro-bonds by non-Japanese issuers, but it understandably feels it should build on its special advantage of knowing Japan. Since its strength derives from Japan, now the second largest economy in the capitalist world, YIE believes that its activities should relate as far as possible to Japan.

There is no shortage, after all, of Western investors anxious to buy Japanese equities and bonds. And Japan continues to be a major source of funds for investment outside.

"In London," says Hitoshi 'Tony' Tanaka, "our speciality is the merit or attraction of Japan. We should make full use of that."

GROWING EMPHASIS ON INTERNATIONALISATION

At the same time, internationalisation is the password of the day. International business now accounts for some 10% of Yamaichi's total business, and many of its senior executives would like to raise that ratio to 20% or even 25% in the very near future. YIE is also seeking to strengthen its capability of doing all kinds of European business even where Japan is not directly involved.

Under this programme a higher proportion of local employees—including more professionally trained and graduate Britons—will be used. "Japanese firms," says Tanaka, "lag behind some European and American firms in localising their management. We hope to attract local staff of a calibre to become eventually members of the YIE management group."

I asked him if the difficulty and time consumed in learning the Japanese language would not defeat this plan.

"That is not the real obstacle," he replied. "We have in Tokyo a young Englishman called Church who speaks fluent Japanese. That is a technical challenge which can be overcome.

"The real problem is the way of thinking and social behaviour and decision-making. It is vital for us to educate such people into how we reach our decisions."

Yamaichi Research Institute has supplied two full-time staff from Tokyo to the YIE office and a new time-sharing system of communications will allow all the European offices to be better and more quickly informed.

In the old days YIE used to be asked by UK investors, for example, which of two alternative Japanese stocks was more promising. Now the question is likely to be the relative merits of a Japanese and an Australian or American stock.

EFFICIENT COMMUNICATIONS LINK YIE OFFICE NETWORK

The six offices in Europe and the Middle East have hitherto operated more or less in parallel but are now moving to a more systematised relationship co-ordinating their work more integrally. Each retains its independent status formally, but in their business relations they are acting as one.

Yamaichi International (Nederland) N.V. in Amsterdam is unique in holding a full banking license (something which the Bank of England does not allow YIE to have, although Japan, like the USA, blurs the line of distinction between dealing in securities and money) and it operates closely with YIE as one integrated organisation. YIE has been seeking for more international dealings by using the YIN facility. If YIE could get a banking license, they would facilitate and promote international activities, much more than the present level.

Frankfurt has Yamaichi International (Deutschland) Gmbh; Zurich has Yamaichi (Switzerland). A representative office in Paris completes the European presence of Yamaichi, and the representative office at Bahrain is currently tucked under London's wing too.

"Eventually," says Yamada, "we will form a local company in Bahrain to look after our Middle East interests independently of London. So Tokyo, New York, London, Bahrain and Hong Kong will be the five centres forming the core of our international operations."

TRADITIONAL VIRTUES PLUS MODERN IDEAS

Nor is it a question of each one of these just relating to Tokyo. Mr. Yamada goes to New York because "the New York market is becoming important again, and it is vital for us to strengthen the tie-up between our London and New York offices. The triangular relationship is very important."

Recently YIE decided to join the London Futures Market in order to be able to hedge its risks over fluctuating interest rates and currency exchange rates. When the market comes to embrace the yen, as it is hoped it soon will, YIE will benefit even more from its services.

"It is not yet" Tanaka observes, "an appropriate vehicle for longer-term Euro-bonds. It will be difficult to know which issues—by governments, the World Bank, the EEC or whatever—to use as guide-posts."

A new feature of Yamaichi's services in Japan is a Special Fund for Venture Capital available to new companies. Yamaichi has a special department for young business development and is making an unusual effort in this direction.

"We advise them how to organise their future capital structure," says Tanaka, "We take an interest in them. Who knows, they might become another Matsushita or Hitachi!"

European companies are eligible, of course, and Tanaka has already sent several applications to Tokyo for processing.

Yamaichi is the doyen of Japanese securities houses. Its foundation goes back to 1897, long before the other three competitors in Japan's "Big Four". For many years the leader in business volume, it remains the strongest in corporate and institutional business and is always to the fore in the new issues stakes. In 1982, it introduced three particularly unique and attractive companies to be newly listed on the Tokyo Stock Exchange; namely, Sanrio, Terumo, and Gakken, all of which turned out to be big hits of the year, and were sought after by many foreign as well as domestic investors.

Among Japanese investors it has a reputation for those old fashioned virtues of solidity and worth, not indulging in the same high-pressured sales talk as others. In the city of London, too, its clients and fellow dealers-underwriters are discovering the virtue in these characteristics of Yamaichi.

About this time of the year YIE holds an investment seminar in London. At last year's meeting, the speaker from Yamaichi Research Institute, Mr. Tsuji, predicted before the large audience that the Tokyo stock market would decline. He was proved to be right. When he speaks again at this year's seminar, it will be no surprise if he faces many enthusiastic listeners.

Nancy Dunne explains why 'Rif' means the end of the road for many executives

Showdown in U.S. civil service sets off a furore

IT WAS the morning of Christmas Day, a time when Americans, like everybody else in the West, traditionally gather around a turkey and a television set to enjoy the festival.

But Mr John Allen was not celebrating last year. In spite of his healthy family, his expensive home, luxuries like a new Buick and his Pierre Cardin dressing gown, he says his life has become a nightmare.

For he is one of the estimated 50,000 federal employees to be displaced by the Reagan Administration's assault on the size of the U.S. Government's civil service.

Unlike about 12m other Americans, Mr Allen is not unemployed. He has been "Rifed," a term derived from the "reduction in force" ordained by President Ronald Reagan's cuts in the Federal bureaucracy.

Once a high-level administrator Mr Allen has been displaced to the lowest rung on the Federal job ladder. He once oversaw a programme designed "to spot early symptoms of alcoholism among labour union members." The Administration, deeming the project less than necessary, eliminated it. Under the peculiar "Rif" process, which governs firings and demotions, Mr Allen ended up as a clerk.

He is a very highly paid clerk, earning $42,000 (£26,250) a year. Under the rules of the Rif, federal employees who are demoted receive their previous salaries for two years to cushion the shock.

Ms Frances Jones, a social worker, is one of the 12,000 Federal workers to be "separated" from her job—and any other—as a result of the Rif. A state social worker for 17 years, she had worked for the Federal Government for one year before she found herself out on the streets and unable to find work. Social work jobs are scarce under the new regime.

When Mr Reagan took office two years ago, he promised to slash the size of government and shed 75,000 federal jobs. With their funding cut, domestic agencies automatically instituted the Rif procedure established in 1944, principally to reduce the size of the Pentagon.

The procedure was used again after the Korean war and occasionally since then to abolish small groups or agencies.

Under the Rif process, employees are divided up into several sub-groups. Those whose jobs are eliminated have the right to displace workers in lower groups. Veterans and those with seniority are given preference, however, and sub-groups may be small. "Retreating" workers may have to jump down several levels before they can be placed in new jobs. Some on the lower rungs of the ladder, may displace no one and end up without a job at all.

Thus, horror stories abound of former doctors working as clerks, chemists delivering mail, executives acting as secretaries to civil servants of lower rank than the one they used to hold. Since they keep their old salaries for two years, many hang on to the lowly positions, hoping a higher federal job will open up or that they will find something in the private sector.

In some cases entire departments have been downgraded because the Administration lowered their priority. All employees from top to bottom in the Power Rate Commission of the Department of Energy have dropped down the scale.

Not surprisingly, the Rifs have set off a furore. Published tales of individual hardships have vied for attention with stories of entire agency departments wiped off federal lists. Enforcement agencies, like the Occupational Health and Safety Administration, have drastically cut down inspections. The Internal Revenue Service (IRS) slashed the number of tax collectors, but later restored them after the story appeared in the press.

A legion of critics, largely Democrats, aghast at the devastation of many of their programmes, say the Rif process is inefficient and costly.

The Office of Management and Budget claimed in its original presentation of its job reduction plans to Congress that the proposed elimination of 43,000 jobs would save $30m in fiscal 1981 and $1.3bn in fiscal 1982.

The GAO found, however, that many expenses had not been considered in the office's estimates. Severance pay has cost the Federal Government about $64.2m in fiscal 1981 and 1982 and unemployment has cost about $15.5m. The departing employees took about $15m in annual leave payments which were owed them, about $35m in early retirement funds and about $147.8m were lost from the federal employees' retirement fund.

The cost of running the Ri was estimated at $500,000 for the Department of Energy alone. The costs of hearing appeals and grievances, training new employees, the loss of productivity, moving workers to new locations and paying high salaries for low-level jobs for two years could not be calculated. The agency concluded that long-range savings could not be guaranteed.

Like many workers who were affected by the Rifs, Mr John Burns, a former executive now earning $56,000 a year as a clerk, claims that favouritism and nepotism play a part in who is spared demotion.

Mr Burns, a black, would not attribute his demotion to race, but minorities and women have fared badly under the action. A survey taken between March 1981 and October 1982, found that minorities composing 23 per cent of the federal workforce, were hit by 35 per cent of the firings. Women, making up about 33 per cent of the workforce, were among almost 45 per cent of those fired.

Furthermore, the Rif has become a politicised process, alleges Mr Robert Honig, director of the Federal Government Service Task Force.

"It does accomplish the Administration's purposes," he says. "It changes the players on the field (from Democrat to Republican). The best, brightest; most skilled have left government."

According to Mr Honig, about 12,000 employees have been sacked and about four times that number assigned to other jobs. More Rifs are planned for this year. Yet, ironically, the Federal Government's workforce keeps growing.

While domestic programmes have been slashed, agencies favoured by the Administration have hired new people. They include the Defence Department, with a 7.4 per cent increase in employees.

Ballot test of closed shop laws expected

By Philip Bassett, Labour Correspondent

THE GOVERNMENT's new closed shop legislation is likely to be tested for the first time shortly by a Conservative-controlled local authority which is considering balloting its employees on whether they want their closed shop agreement to continue.

Under the Employment Act, 1982, and its code of practice, closed shop agreements can be reviewed periodically by ballot at the instigation of either party to the agreement, though if they are to be continued, the ballot must show 80 per cent support.

The council's identity is not being revealed for the time being for fear of provoking hostile union reaction.

Ministers believe that this move towards balloting could be only the beginning. For instance, Mr Norman Tebbit, Employment Secretary, told the Conservative Trade Unionists' conference in Bristol at the weekend: "I believe that we will begin to see these ballots take place before long.

"It will be a trickle at first. But after the general election when we are returned to government it will become a flood."

Whitelaw faces row over police shooting of innocent man

BY PETER RIDDELL, POLITICAL EDITOR

MR WILLIAM Whitelaw, the Home Secretary faces a major political row in the House of Commons this afternoon when he is expected to make a statement on the shooting of an innocent man by police in central London.

Mr Stephen Waldorf, a television film editor, was critically injured by shots from armed police on Friday night. He had been mistaken for David Martin, who had escaped police custody after being accused of attempting to murder a policeman.

Three policemen have subsequently been suspended from duty and Sir Kenneth Newman, the Metropolitan Police Commissioner, ordered an immediate inquiry into the incident and procedures followed by armed police. Mr Whitelaw also called for a full report.

The shooting has aroused concern over both the regulations covering the use of firearms and the accountability of the Metropolitan Police which has been sharply criticised recently.

Mr Roy Hattersley, the Shadow Home Secretary, said in a BBC radio interview yesterday that he would not be pressing for details of the incident, which were rightly the subject of an inquiry. But he would be arguing that the events showed that the Metropolitan Police is not under anybody's effective control and requires a radical reorganisation. He will also seek some assurances on the use of firearms.

Mr Hattersley has argued that the Metropolitan Police should be split up and made accountable to elected police authorities.

The incident comes at a difficult time for Mr Whitelaw, who has faced strong criticism from within his party over law and order issues and the unresolved question of the new immigration rules.

The issue arises as the controversial police bill is going through its Commons committee stage.

UK NEWS

Ministers study further easing of Telecom rules

BY JASON CRISP

THE GOVERNMENT is to consider a number of proposals which could result in a further wide liberalisation of the UK telecommunications business.

If adopted the proposals could greatly reduce the need for strong regulation of British Telecom (BT) if its shares are to be sold to the public. The Conservatives intend to sell 51 per cent of BT if returned to power after a general election.

These new proposals include:

- "Open sky" satellite policy. It would enable private companies — or more likely consortiums — to launch private communications satellites on which capacity could be resold either to public telephone networks, such as BT, or for private use.

Limitations include the economies of satellite communications in a small country such as Britain and international agreements on satellite use.

- Resale of private circuits. Companies could lease private lines from BT and resell the capacity for voice traffic, undercutting BT's own trunk call charges. In the past, such suggestions have been bitterly opposed by BT, which says it would just "cream off" the most profitable parts of its operation.
- More power for Mercury — the private sector network owned by Cable and Wireless, BT and Barclay's Merchant Bank — particularly giving it access to international switched telephone circuits putting it on an equal basis with BT.
- Intermodal competition — increasing competitive links between different communications networks such as "cellular mobile radio, interactive cable television and satellite communication."

Prof Stephen Littlechild, of Birmingham University, is expected shortly to report to Mr Patrick Jenkin, Industry Secretary, on how BT can be prevented from abusing its powerful position in telecommunications if it becomes a private company.

One view is that BT should be carefully regulated by the new Office of Telecommunications (OfTel) run on the lines of the Office of Fair Trading. OfTel could control BT by close regulation of its margins and rates of return.

An alternative, thought to be favoured by Prof Littlechild, is to increase the competition it faces and set more open profit targets. He is expected to suggest a broad upper ceiling on profits within which BT would be free to operate.

The main concern is to avoid regualtions which become an disincentive for BT to become more efficient, and competitive.

The Government has several conflicting problems to solve with the sale of shares of BT. It does not want to see a sharp rise in residential telephone charges or a fall in rural services, although both are unprofitable parts of the network. It is also recognised that BT needs to be prevented from abusing its considerable monopoly powers.

Only 30% of UK's new cars are 'British' says report

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

ONLY ABOUT one-third of the new cars sold in the UK by local manufacturers are wholly British, according to an analysis by the London-based Automotive Research and Management Consultants (ARMC).

Another 10 per cent are only partly British because they are assembled from imported kits.

But a manufacturer can "get a 'British' classification even though the kit imported covers the body and all mechanical parts and leaves little more than some paint and glass to come from British suppliers", ARMC points out in its latest *International Automotive Review*.

"It is not surprising that analysis of what is the composition of the UK car market is a topic of considerable concern to UK component and material suppliers, not to mention the trade unions."

BL and Ford of Britain are the main UK car producers and an increase in their activities "is going to be the only way that some British components suppliers will survive."

The consultants predict a steady decline in car production. The report suggests that last year's output should be about 900,000 compared with 954,650 in 1981, and that production for this year and 1984 should decline to 875,000 and 850,000 respectively.

BL's new Maestro might partly offset lower exports from Ford of Britain and eventually halt exports from Vauxhall, but the accuracy of the forecast depends on Talbot UK's contract to supply car kits to Iran.

"Successful re-establishment of this contract could push up exports, but we prefer to take a sober view at this stage and include a relatively low quantity for Iran", say the consultants.

ARMC estimate that 1.55m new cars will be sold in Britain in 1983, which is a 3.3 per cent rise on the predicted 1.525m sales for 1982. The forecast for 1984 is 1.6m.

BARRISTER LAUNCHES APPEAL TO HELP REACTOR PROTEST

Funds for Sizewell objectors

FINANCIAL TIMES REPORTER

OBJECTORS to plans for building a U.S. style pressurised water reactor (PWR) at a nuclear power station on the east coast of Britain, are to benefit from an appeal fund launched at the weekend.

News of the fund, which has a target of £500,000 came as the official inquiry into the Sizewell B project entered its second week. Mr Edward Irving, a barrister, who attended the inquiry last week, is setting up the fund. He said he was disturbed to find an imbalance of resources between the Central Electricity Generating Board (CEGB) which is seeking permission to build the reactor, and the many opposing groups.

Mr Nigel Lawson, Energy Secretary, recently rejected requests that objectors' costs should be met from public funds.

Mr Irving said Lord Kearton, former full-time member of the UK Atomic Energy Authority, had agreed to be one of three trustees who would administer the fund.

Despite threats of "direct action" aimed at the Government's decision not to grant public funds to objectors, disruption of the first week of the inquiry was confined to silent protests by a handful of demonstrators, and was well below the level of activity feared by officials.

The objectors' case, which will be led by the Friends of the Earth, the environmental group, is not expected to start until April or May.

Opening its case last week the CEGB admitted that there would be no need for the generating capacity of Sizewell B until several years after commissioning, and the board will need to convince Sir Frank Layfield, the inspector of several "special factors" to support the case for approving the project.

These include, the necessity to diversify fuel sources, to build up expertise in PWR technology and to replace old and inefficient power stations.

The CEGB and the Government are aware of Britain's heavy reliance on coal which produced 80 per cent of electricity in 1981-82. If the Sizewell project were to be delayed several years until the generating capacity was needed, Britain could lose out on valuable exports of PWR technology, it is argued.

Mr Roy Matthews, the CEGB's director of health and safety, will complete his evidence when the inquiry resumes tomorrow. He will be followed by Mr John Wright, research director, who will talk about alternative methods of electricity generation.

Later in the week planners will give evidence on the need for Sizewell B and the forecast demand for electricity.

Questions from objectors have so far been limited to elucidation, but cross-examination will be allowed later in the inquiry.

Local authorities, which are not opposed in principle to a further nuclear plant at Sizewell, will demand undertakings over the sources of building materials, routing of construction traffic, and the lay out and design of buildings, landscaping and other environmental matters. The CEGB, which has been meeting the councils over the past two years, says it expects to reach agreement.

Test case opens on ministry documents

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

FIVE LAW Lords will today begin hearing the most important test case of a Government's right to keep confidential its decision-making processes.

Twenty international airlines are appealing against a Court of Appeal ruling last September that the Department of Trade did not have to produce in a pending trial 100 ministerial working papers dealing with the formulation by Trade Secretaries between 1977 and 1980 of Government policy on the British Airports Authority (BAA).

The Appeal Court accepted the department's plea that disclosure of the documents would be contrary to the public interest.

In one of his last judgments as Master of the Rolls, Lord Denning said that high-level policy documents should be kept secret because of the public interest in the proper functioning of the Civil Service, the executive arm of government.

The airlines want the documents in evidence in their forthcoming claim against the BAA and the Trade Secretary over a 35 per cent increase in landing charges at Heathrow Airport.

They have argued that the papers are highly relevant to their claim that the Trade Secretary acted from an improper motive — a concern to contain public expenditure — in imposing such a tough financial target on the BAA that the authority had to make the large increase in charges.

Last May, a Commercial Court judge ordered the documents to be produced for his inspection, to confirm his provisional view that they were relevant.

His order was overturned by the Appeal Court. Lord Denning said the papers were not necessary for the due administration of justice, and that the Trade Department's reasons for keeping them secret were "clear and cogent."

Sunny outlook for British holiday operators

Visitors from West Germany, America, the Netherlands and Switzerland will all be better off in Britain this year than they were last summer.

Arthur Sandles looks at currency fluctuations in Britain and abroad and how they have affected both sides of the British tourist industry.

BY A remarkable quirk of currency swings and roundabouts, both sides of the British tourist industry — those who bring visitors into Britain and those who are in the business of luring them to foreign shores — are relatively happy with the changes in the value of sterling over the past few weeks.

Most of the currencies of Britain's tourism sources seem to have improved against sterling in recent months, some of them substantially. Compared with last summer the West Germans, the Americans, the Dutch, and the Swiss will all be better off in the UK. Coupled with news of Britain's lower inflation rate and relatively small hotel price rises this bodes well for tourism receipts in the summer of 1983.

At the same time, the values of currencies in the main tourist destinations for the British have tended to fall even faster than that of sterling. The Irish punt, the Spanish peseta and the Yugoslav dinar are all worth less than they were six months ago. Even the French franc, the most heavily used of Britain's foreign spending currencies is still well above the 10 franc line which is traditionally drawn between the two currencies.

The Portuguese escudo roughly is at the level it was six months ago and the British visitor to Sweden will actually get a few more kronor than he did last year.

Most major British tour operators based their package prices for the summer of 1983 on the rate of exchange as published in the Financial Times on July 6 1982. Surcharges, if any, are also usually based on the comprehensive FT list of rates published each Tuesday. This system was introduced some years ago to simplify the procedures and to ensure that both suppliers and customers were using the same figures if arguments arose.

This year, many of the bigger operators have introduced price guarantees of some sort.

But, according to Mr Roger Heape, marketing director of Thomson, Britain's biggest tour operator, the guarantees are not giving cause for financial concern. "The biggest section of the market is Spain, and there the pound is worth more than it was," he says. (Spain is number one for package tours, France for the independent traveller). "In theory, we are exposed on fuel, which is paid in dollars, but in fact there is an oil surplus and we can protect ourselves anyway by buying forward."

Most of the major operators are offering blanket price guarantees. This means that the industry is totally insulated from any further violent decline in sterling.

Only Horizon, among the major companies steadfastly declined to enter the guarantee battle, although it stresses that it is one of the few companies not to have levied surcharges in recent years.

After the currency upsets of the mid-1970s, most hotel contracts these days are in local currencies, with the exception of the Caribbean, where U.S. dollars tend to be used, and Yugoslavia, where dollars, sterling or occasionally D-Marks might be the basis of the contract price.

There has been a surge of bookings for summer package tours over the past few days, perhaps partly because many guarantees apply only to holidays which are booked early.

Intasun is claiming a 33 per cent rise in bookings over the same period of last year.

Mr Ken Franklin, Horizon's managing director, says January bookings are at record levels, with the devaluation of the peseta and drachma both helping bookings.

Thomas Cook confirms that there has been a rush of bookings over the past few days. Cook, however, like others in the business, senses a price war ahead as even the present healthy booking pattern is not sufficient to soak up the capacity in an over-supplied market place.

The company has now warned possible discounters that it will not be undersold. Its retail operation has promised that if within 48 hours of a booking being made the passenger can show that the holiday could have been bought cheaper through another agent, Cook will refund the difference.

EXCHANGE RATES

	July 6 1982	Jan. 11 1983
Austria	30.125	28.50
Barbados	3.461	3.18
Cyprus	0.839	0.776
France	11.88	10.5050
Germany	4.285	3.71
Greece	120.235	113.02
Hong Kong	10.205	10.38
Ireland	1.2445	1.15875
Italy	2,406.0	2,135.0
Jamaica	3.0685	2.88
Netherlds.	4.7325	4.25
Portugal	145.05	144.0
Seychelles	11.37	10.35
Spain	192.75	197.60
Sweden	10.81	10.815
Switzerl.	3.6450	3.050
U.S.	1.73	1.59
Yugoslavia	82.5114	101.81

UK Tour operators generally based their 1983 summer brochure prices on the FT World Value of the Pound on July 6, 1982

BUILDING AND CIVIL ENGINEERING

EMPLOYERS' ORGANISATIONS

Hesitant step to unity

TWO OF the UK's major construction industry employer organisations took a hesitant step forward last week in their progress towards greater unity, particularly where employees' pay and conditions were concerned.

"We want to be federated, not colonised." Mr Bill Hilton, national director of the Federation of Master Builders, was encapsulating the FMB's response to the latest overtures from the National Federation of Building Trades Employers. However, he left the door open to the ends which NFBTE president Malcolm Fordy has been pursuing.

"There is no such thing as a confrontation or a feud between us and the NFBTE," said Mr James Sadler, president of the FMB, in London last week. "This is the opening gambit of a very important tie-up," he observed, "and entrenched positions cannot be eradicated overnight."

If not permanent, the entrenchment seems mutual. Mr Fordy had put forward a set of proposals, one of which was four seats on the employers' side of the National Joint Council for the Building Industry.

However, the FMB says that the NJCBI, where it would only have a minority position, no longer directly agrees wages and basic conditions; and that its own Building and Allied Trades Joint Industrial Council, which it would be expected to give up, has taken a lead in wage negotiations since its inception three years ago.

Another part of the package, the FMB notes, is the offer of a seat on the Construction Industry Training Board through the resignation of one NFBTE member. The FMB says: "it (the NFBTE) is using membership of the board of CITB as a lever to bring the FMB to acceptance of its other proposals."

Messrs Sadler and Hilton "refuse to negotiate . . . under duress of any kind," and offer an item of news to their suitors. Norman Tebbit, Secretary of State for Employment, is quoted as writing that he "accepts that the FMB has established a case for representation on the (CITB) Board."

In the light of this decision, which would take up to a month since it would involve enlargement of the board, the FMB feels that it would be proper to proceed with negotiations thereafter. Not to be outdone, its officers have agreed proposals of their own which they aim to put to the NFBTE.

"We will propose a way in which, very speedily and effectively, we can overcome the problem," said Mr Hilton. "Afterwards, the FMB would no longer unilaterally decide wages and negotiations."

Meanwhile, the FMB "welcomes" Mr Fordy's proposal that the two federations should establish a joint presidents' committee, and suggests that it would prove "an admirable forum" for continuing discussions on its own proposals.

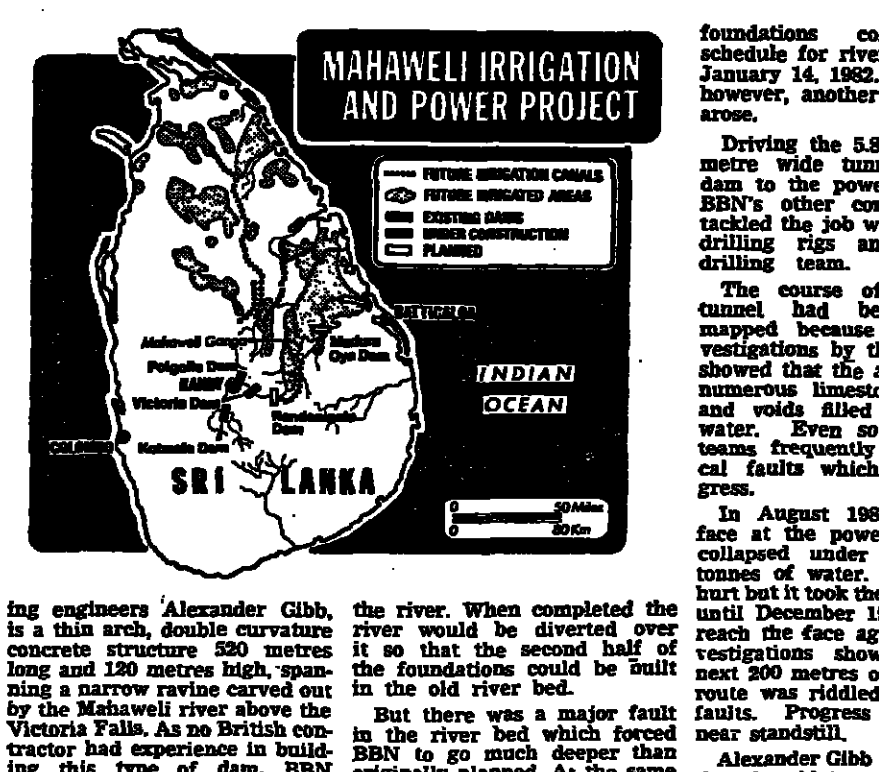
Funny things have been happening on the way to this forum, with accusations of bad faith on one side and hurt feelings on the other. But the proponents seem to realise that the end is a sensible one, even if the means are still the subject of argument.

WILLIAM COCHRANE

CONSTRUCTION IN SRI LANKA

Victoria dam on schedule

BACK-BREAKING effort by Balfour Beatty Construction and Edmund Nuttal now seems to have ensured the on-schedule completion of Sri Lanka's Victoria dam, the £65m project repeatedly threatened by a series of major operational and geological setbacks.



The Victoria dam is one of four being simultaneously built under the Mahaweli Development Plan. This seeks to improve the agricultural prospects for the Mahaweli river region in south central Sri Lanka, and, particularly, to boost the country's generating capacity.

The first of the dams due for completion, the Madura Oya, is being built by Canadian contractors and is for irrigation only but the Victoria dam, the first to generate power, is regarded as the most important. Final generating capacity will be 420 MW compared with the country's total present capacity of 400 MW. When the other two dams, Kotamale and Randenigala, are completed, the total generating capacity of the scheme will be 743 MW.

In 1980 a joint venture of Balfour Beatty and Nuttal (BBN) started work on the contract to build the Victoria dam and power tunnel, with impounding scheduled for April 1984.

BBN's contract said that adequate access roads to the site and a township to house the construction workers would be provided before the civil works began. When workers and plant arrived, however, the road was incomplete and too narrow to take the heavy equipment. Neither had the workers' village been completed.

The dam, designed by consulting engineers Alexander Gibb, is a thin arch, double curvature concrete structure 520 metres long and 120 metres high, spanning a narrow ravine carved out by the Mahaweli river above the Victoria Falls. As no British contractor had experience in building this type of dam, BBN called on the expertise of the Swiss firm Losinger to help on dam construction.

Because the level of the river changes dramatically between the dry and rainy seasons, the construction of the dam foundations and stillways had to be completed before mid-January 1982 when the rainy season started. Construction was to be carried out in two halves with the first half being constructed alongside the river. When completed the river would be diverted over it so that the second half of the foundations could be built in the old river bed.

But there was a major fault in the river bed which forced BBN to go much deeper than originally planned. At the same time, extra material had to be removed from the sides of the dam slope. The main fault involved blasting an extra 4.500 cubic metres on just one of the 35 blocks making up the dam and, overall, there was an increase of some 40 per cent on the 254,000 cubic metres of rock excavation estimated in the contract.

BBN coped by pushing in extra men and equipment and it managed to get the dam foundations completed on schedule for river diversion on January 14, 1982. During work, however, another near disaster arose.

Driving the 5.8 km long, 7.2 metre wide tunnel from the dam to the power station was BBN's other contract. They tackled the job with two jumbo drilling rigs and a manual drilling team.

The course of the dog-leg tunnel had been carefully mapped because borehole investigations by the consultants showed that the area contained numerous limestone intrusions and voids filled with ground water. Even so, the drilling teams frequently met geological faults which slowed progress.

In August 1981 the tunnel face at the power station end collapsed under hundreds of tonnes of water. No one was hurt but it took the drilling team until December 1981 simply to reach the face again. New investigations showed that the next 200 metres of the planned route was riddled with similar faults. Progress slowed to a near standstill.

Alexander Gibb then proposed that the old tunnel line be discontinued and a new line started through good rock bypassing the faulted area. But progress was by then months behind schedule and BBN were forced to employ an additional jumbo drilling rig and associated plant and personnel to get back on target, which they have now done.

The power tunnel driveage was completed in November of last year and the outfall end handed over to the mechanical contractor for steel lining, as planned, on January 1, 1983. Lining of the rest of the tunnel should also be completed on time following BBN's decision to switch to a telescopic method of tunnel lining.

This extra effort by BBN has now virtually secured the completion of the dam by the planned date But coping with the unforeseen problems has also involved them in up to one year's additional costs. Some help has come in the form of an increase in the bonus payable for completion on time to £3.1m. Additional payments for the extra work remain a matter for negotiation. Some hard talking remains to be done.

TOM SEALY

Building materials sales rise

SALES OF building materials in Britain in November were 7.2 per cent up over November 1981 the second highest monthly increase of the year, according to the Builders Merchants Federation.

The highest increase—9.6 per cent—was recorded in August. Sales for the cumulative year to November 1982 were at the same level as the year ended November 1981, the Federation says.

In the regions the West Midlands led the way in November sales, recording a 24.6 per cent increase compared with a year earlier.

The northern region recorded a 13.1 per cent rise over the previous November and the south-east 8.7 per cent. The "most unusual drop," the Federation says, was in Yorkshire—Humberside, where sales fell by 17.8 per cent in November following a 2.1 per cent rise in October. It was the only region that recorded a fall in sales when compared with November 1981.

Reporting on regional variations for the year, the Federation says all areas continue to follow the trends of recent months—with the north leading the upward movement and the north-west moving steadily downwards.

*

THE OUTLOOK for "do-it-yourself" products is looking brighter in 1983 according to a new market analysis by Key Note Publications.

The business information service says that the prospect of a revival in housing activity together with the expected growth in consumer spending this year could result in an improved performance in the DIY sector.

The report warns that increased competition among DIY retailers could lead to further rationalisation and mergers within the industry.

INTERNATIONAL CONTRACTS

£15m Aden water plan for Bovis

BOVIS INTERNATIONAL will commence work soon on a $25m (£15.8m) scheme to provide additional water resources for Greater Aden from the aquifer of the Wadi Bana, about 55 km north-east of Aden. Consulting engineers are Taylor and Sons, London, and funding is from the Yemeni Government I.D.A., and other Arab sources. The project comprises: A new well field in the upstream part of the Wadi Bana delta, complete with a diesel electric power station, a chlorination plant, storage reservoirs and boreholes equipped with submersible pumps; an 800 mm ductile cast iron, or steel main, about 55 km long, from Wadi Bana well field to Bir Nasir; two 7,500 cu metres surface reservoirs at Bir Nasir, with the necessary pipework connections to the existing Bir Nasir installation and a new chlorination plant; a new 800 mm ductile cast iron main from Bir Nasir to Sheikh Othman and several extensions to and reinforcement of the Sheikh Othman-Al Mansura distribution network. The client is the Public Water Corporation of the People's Democratic Republic of Yemen.

*

Two pipeline construction contracts in Denmark worth £12m have been awarded to KAMPSAX/NACAP, a Danish-Dutch consortium. For Dansk Olie and Naturgas A.S. a 72 km long, 750 mm diameter gas pipeline will be constructed from Kaergard on the west coast of Jutland to Egtved, centrally situated on the peninsula. Forming port of the Danish natural gas transmission line to Copenhagen, the pipeline will go via Nybro. Also from Kaergard, a 110 km long 500 mm diameter oil pipeline will be laid to the refinery at Fredericia, for client Dansk Olie Ror A.S. Both projects will commence in the spring and will be completed by the end of 1983. Nacap of Delft, the Netherlands, is a subsidiary of international contractors Royal Boskalis Westminster.

*

A contract worth £11m to provide the marine spread and carry out trenching works across the English Channel for the 2000 MW power cable link between England and France, has been awarded to Merseyside-based LAND AND MARINE ENGINEERING by the Central Electricity Generating Board (CEGB). Two 45 km long trenches will be cut to a depth of 1.5 metres from a point near Folkestone to Sangatte using the RTM 111, a rock trenching machine designed by Land and Marine Engineering for the CEGB.

The work is scheduled to start mid April 1983 with completion in June 1984.

The main surface vessel for the trenching works will be the 110m long work-barge L. M. Balder which is being refitted for the project. Refitment includes the provision of a new crane (250t capacity) and a computerised mooring system with eight anchor winches. The cross-channel electricity link will be composed of eight cables laid in pairs in four separate trenches. Two pairs will be installed by the CEGB and two by Electricite de France.

UK CONTRACTS

Costain to build £11m offices

COSTAIN CONSTRUCTION has won an £11.3m contract with Cruden Developments to build a ten-storey office block in George Street, Uxbridge, to be known as Central Square, Uxbridge. The contract includes an office block with a roof level plant-room, two levels of parking generally below ground level, all internal finishings, plumbing, mechanical, electrical and lift installation, external works and drainage. Completion is scheduled for mid 1984. Costain Construction has also been awarded a £2m contract to build a five-storey building in Queen Street, Cardiff, for the Sun Alliance Insurance Group. The contract comprises the demolition of existing buildings and construction of a five-storey building with a basement car park, unfitted retail accommodation at ground and first floors, service area and access to offices at ground, second and fourth floors. The project is due for completion in mid 1984.

BALFOUR KILPATRICK has been awarded contracts worth in excess of £5m for the insallation of electrical services for the new headquarters being constructed for Lloyds of London. The installation will provide for all the conventional facilities of a commercial office together with the modern sophisticated electronic equipment employed by Lloyds of London. The main building is linked to six satellite towers which contain all the main service functions including the 11 kV mains cable, rising mains and sub-stations. The electrical work is expected to start early in 1983 and will take between two and three years to complete.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

America's Communications Revolution: Part 4

AT & T sets out to take on the world

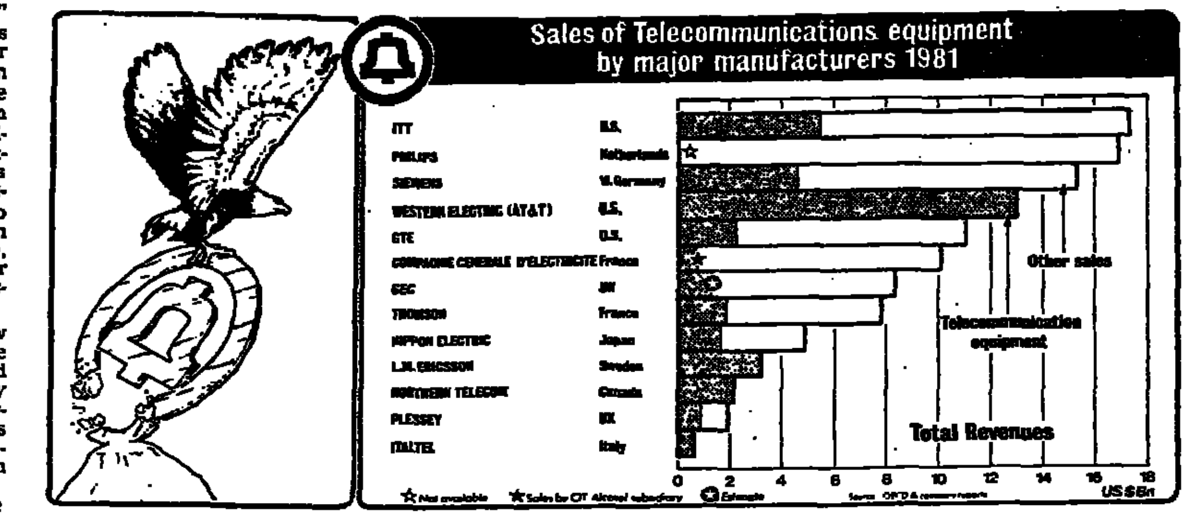
BY GUY DE JONQUIERES

"I SENSE that there's a body of opinion in a lot of places which says that the Bell System, like the Normandy invasion, is suddenly going to hit the beaches of Europe," says Robert Sageman, president of American Telephone and Telegraph International (ATTI).

That is an impression which AT&T is anxious to dispel as it ventures out of its U.S. stronghold in search of international markets after a half a century of isolationism. "There is no way we can go charging around the globe and be successful," says Sageman. "It's going to take time. We have a hell of a lot to learn."

The company nonetheless made quite a splash earlier this month by announcing an agreement with Philips, the large Dutch group, to set up a joint venture to market worldwide electronic public exchanges based on AT&T's latest family of switching systems, named No. 5 ESS. No investment figure has been disclosed for the venture, which may be expanded later to include transmission systems.

The deal has touched a raw nerve in France. When the collaboration was first mooted last autumn, it was roundly denounced by President Mitterrand as a threat to Europe's fragile efforts to forge a common industrial policy in high technology.



Robert Sageman: "We have a hell of a lot to learn"

The agreement will bring the combined force of two electronics giants to bear on a market which is already being fought over by more than a dozen companies. They include International Telephone and Telegraph of the U.S., Siemens of West Germany, L. M. Ericsson of Sweden, Canada's Northern Telecom, CIT Alcatel of France and Japan's Nippon Electric.

Philips will provide much-needed access to its marketing network which covers more than 60 countries, and help to adapt No. 5 ESS to international technical standards. AT&T will contribute the huge technology resources of its Bell Telephone Laboratories and the industrial muscle of Western Electric, the world's largest telecommunications manufacturer.

Western Electric's sales of $13bn almost equal the combined telecommunications business of Ericsson, ITT and Siemens, its three largest rivals. Its massive production capacity offers phenomenal economies of scale; by next year, it will be turning out No. 5 ESS exchanges for the U.S. market at the rate of one a day.

AT&T's market research claims that Western Electric's prices for switching equipment were less than 80 per cent of those charged by its competitors in the U.S. last year. According to the OECD, American prices in turn are between one-third and one-half of those charged for comparable switching equipment in Western Europe.

AT&T *has another* asset too. Unlike its overseas competitors, it is well-known as the operator of the world's largest telephone system. In that role it *astutely persuaded the* rest of the world's telecommunications authorities recently to rewrite their rules to classify No 5 ESS as a fully digital exchange, even though it relies partly on older, analogue, switching technology.

That could be psychologically important in bidding for orders *in developing* countries, which increasingly insist on buying "state of the art" digital technology. Digital exchanges, which are essentially special-*purpose computers, offer* important technical and operational advantages over the previous generation of all-analogue systems.

ATTI plans to focus its switching sales campaign chiefly on the Pacific Basin and Western Europe. Countries like Taiwan, together with *Hong Kong and possibly Japan,* are natural targets both because of their strong economic growth and because their telephone networks are already designed around U.S. technical standards.

Inter-locking relationships

In most other parts of the world AT&T equipment will have to be converted to local standards, at considerable cost. It is expected to be at least two years before the first such products become available. Though that delay may slow AT&T down, few telecommunications experts believe that it will be a crippling disadvantage.

AT&T already has No 5 ESS exchanges up and working in the U.S. Few other manufacturers are yet ready to deliver digital exchanges, and many are still struggling to master the intricate software (programing) needed to make them work properly. In many instances, development deadlines *have slipped and* costs have soared.

The battle will not be decided on technical criteria alone. Only a fraction of the $6bn non-U.S. market for switching equipment is open to free competition. The remainder, which includes most of Western Europe and Japan, has long been *closed to outsiders* by inter-locking relationships between monopoly providers of national telecommunications services and favoured *domestic manufacturers.*

AT&T will have to compete with European manufacturers which are protected on their home markets and whose export efforts are heavily supported by Government subsidies and political string-pulling. Nowadays large telecommunications contracts, especially in the developing world, often go to those bidders which can offer the best credit terms and are willing to sew up broader bilateral trade-and-aid deals as part of the package.

"It's an electro-political world, and we start from political realities," says Sageman. But whether Philips can provide all the entree which AT&T wants is uncertain. Though the Dutch group has widely-scattered operations, its home market is small and it is not a dominant force in public switching in any large European country.

Creation of subsidiaries

AT&T is still considering other options as well, ranging from additional partnerships and joint ventures to the creation of new foreign subsidiaries of its own, in which local investors might be invited to purchase equity. It is already a minority partner in a semiconductor assembly plant in South Korea and last year acquired 45 per cent of Telectron, a small Irish telecommunications manufacturer.

"You are highly unlikely in many of the major markets in Europe and some other parts of the world to sell into Government-owned telephone companies without an in-country presence," says James *Olson, vice-chairman of AT&T.* Britain, which AT&T has earmarked as a prime market, has already told the company that it must set up local research and production facilities if it wants to do business there.

AT&T also hopes to line up overseas distributors to sell its terminals and private exchanges and is already designing new products so that they can be adapted easily to international standards. Sageman concedes, however, that lack of recognition among the general public outside the U.S. is an obstacle. "If you ask a lot of people around the world, they don't know the difference between AT&T and ITT," he says.

ATTI, which earned revenues of about $500m *last* year, was set up in mid-1980 to consolidate the embryonic international activities of AT&T. It currently employs about 800 people and has a dozen international sales offices.

AT&T has not been active internationally since the 1920s, when it sold off its widespread overseas interests to concentrate on its domestic monopoly. The buyer was an obscure outfit called ITT. One of the assets which it acquired (and has *since re-sold*) was a 55 per cent interest in Nippon Electric, today Japan's largest telecommunications manufacturer.

The Bell System's first attempt at a come-back turned out to be a catastrophe. In 1976 Western Electric won an order to supply telecommunications equipment to Iran. The contract was renounced by the Khomeini regime, from which AT&T is still trying to extract $65m in compensation.

Since then, the company has been awarded two contracts worth $520m to build a microwave network in Saudi Arabia and is supplying telephone exchanges worth about $200m to South Korea. In Egypt it has won a $75m order for exchanges and communications centres.

By all accounts, AT&T has been taught some painful lessons in the reality of doing business overseas. "We find that they are amateurish in the way they compete and they tend to forget that for the first time they are not the customer," says an executive of a rival company. "But they are honest as the day is long and they have a reputation for always completing work."

AT&T's lack of experience is said to have shown through during the construction of the Saudi microwave network. According to industry sources, the contract failed to specify a number of key particulars, including the exact height of the microwave towers. AT&T is understood to have had to modify its original design plans at extra cost after the contract was signed to meet the Saudis' requirements.

The company is, however, given high marks by most industry experts for its determination to master the intricacies of international business. "ATTI *is learning from its mistakes,*" says Alan Kaman, of management consultants, Arthur D. Little. "They will be a strong force to be reckoned with in the future."

But neither ATTI nor its competitors expect it to sweep in and take the rest of the world by storm. "I'm not one bit naive about *the toughness of* the international market. We've been out of it so long," says Olson. "We've got a good strategy, but we're also feeling our way."

Previous articles in this series appeared on January 10, Leader page, January 12, Leader page and January 14, Management page. Part 5 will appear on tomorrow's Leader page.

Management game takes new shape

THE JOB is to make profits by manufacturing and selling two different products in competition with four or five other companies. Unlike most managers who at least know what their company's products are, you don't.

But you do know that each of them is made in batches of 1,000. You also know that whereas the first can be sold through wholesalers as well as to industry and by contract to Government, the wholesalers won't touch the second product. What's more, it takes twice as much raw material and time to manufacture as the first does.

Those are but a few of the complexities which will tax contestants in the 1983 UK national management championship, the entry list *for which will close on January 28.* Although the competition continues the annual series which started in 1970, this year's event is based on an entirely new computer program.

As before, however, the sponsors are the Financial Times, ICL and the Institute of Chartered Accountants in England and Wales in association with the CBI and Institute of Directors.

Another innovation is that all initial entrants will be entitled to proceed without extra charge into the National Management "Plate" contest if their team should lose in the first round of the championship proper.

Whoever become the champions will be richer by £2,000, a year's possession of the FT Silver Rose Bowl and—on past experience — the increased esteem of their real-life bosses. The second prize is £1,000, the third £750 and the fourth £500.

The winners of the plate will also receive £750, and the two next most successful teams £500 and £250 respectively.

The entry fee for teams of at least three people is £92 inclusive of VAT and inquiries should be sent to the Administrator, National Management Game, Beaumont, Old Windsor, Berkshire SL4 2JP; telephone 07535 68181.

Caterpillar

In last Monday's feature on Komatsu of Japan, it was incorrectly stated that Caterpillar Forklift, of the U.S., is an affiliate of Komatsu. Caterpillar and Komatsu, the world's first and second largest construction *machinery groups,* are in no way affiliated.

TECHNOLOGY

EDITED BY ALAN CANE

HILL SAMUEL LAUNCHES BANKING SOFTWARE SYSTEM

The man with the Midas touch

BY ALAN CANE

Mr Ray Gollings, senior Eurocurrency manager working at the Hill Samuel "House" dealer station while at the back Mr Christopher Castleman, Hill Samuel chief executive, and Mr Darryl Barbe, managing director DEC (UK) on the extreme right look on

HILL SAMUEL, the merchant bankers, announced last week that it has formed a new subsidiary to market an electronic *banking system that it has been* developing over the past five years.

The new subsidiary is called Business House Systems (BHS), and the parcel of hardware and software which constitutes the system is called the "House System"—all of which might be quite unremarkable in a world where banks are computerising their operations by leaps and bounds if it were not for the fact that the managing director of Business House Systems is Mr Archie Reid.

Mr Reid's record in the design of foreign exchange and banking systems is impeccable. He was a leading member of a team at Kingsley-Smith and Associates, a small software house bought by the BIS group of companies in 1975, which had developed a foreign exchange package to run on the IBM small business computer of the time, the System/32.

The system became Midas, without question the market leader in banking packages with units sold to 127 banks and financial institutions in 50 countries. Last year, BIS Software turned over about £5m chiefly due to Midas. This year it expects to do over £8m.

Mr Reid is credited with having designed the System /32 version of Midas although he left BIS for Hill Samuel before the first Midas installation went in.

So Mr Reid's latest effort deserves close attention. Mr Hamish Donaldson of Hill Samuel, BHS chairman, believes the new system has the edge in *three chief areas:*

- It will handle dealing volumes of 1,000 a day and more (to be fair, to BHS's chief competitors, BIS, Hoskyns and Arbat, they claim that the latest versions of their systems will achieve similar rates)
- It deals in every financial instrument including financial futures.
- It is one of the first systems to offer both full dealer information and back office accounting functions (again, the latest System/38 version of Midas offers dealer information, something lacking in the past).

Mr Stan Smith of BIS Software, who *is widely credited* with the comercial success of Midas, is in no doubt about the quality of the rival system: "As Archie Reid designed it, it is certain to be a perfectly sound system."

Mr Brian Larbalestier, BHS sales director, is quick to counter criticism that the House system is tied very much to the way Hill Samuel does its business: "We built in features which allow it to be tailored to other banks. After all, it was the interest from other financial institutions which made us think about getting into the market in the first place. It is in the final stages of installation at the *Bank of Tokyo* International in London and in four Hong Kong financial institutions."

The House system is based on Digital Equipment computers and a custom built dealer desk. The dealer is faced with a communications dealerboard and two screens—one Reuters, the other switchable between dealer information from the system and conventional electronic information *services such as Telerate.*

According to BHS, a typical package would consist of statistical data, foreign and domestic currency payments *and receipts, foreign* exchange trading loans and deposits, L&D swaps and general ledger.

The dealers are provided with real-time information which is continuously updated as deals are entered through the back room terminals. Dealers in Hill Samuel still record their deals on traditional dealing slips—entry through the keyboard is possible but so far dealers show little enthusiasm for this manifestation of the electronic revolution.

Mr Donaldson says that the equipment has enabled Hill Samuel to double its dealing volumes over the past five years with no increase in back office staff.

He believes that systems such as House are essential in maintaining a bank's competitive edge. Would Hill Samuel then sell its system to a direct competitor? Mr Christopher Castleman, chief executive of the Hill Samuel group, says "Yes!" emphatically, arguing that the group's performance reflects its skills in the marketplace and not simply technical superiority.

A continuing curiosity is the lack of U.S.-*built systems* for this market reflecting perhaps an American preoccupation with the dollar as a base currency ("there are a million *foreign exchange systems in the* U.S. as long as you are dealing in dollars") and the strength of the City of London in finance.

SURFACE FINISHING

Battelle study on stainless steel

BY GEOFFREY CHARLISH

THE ANTI-CORROSIVE properties of stainless steel and its excellent appearance are widely known and admired. In view of its cost, is use of the solid material always necessary?

According to Dr Eric Brooman *of* Battelle's Columbus Laboratories, if it is only the surface properties and appearance that are needed, cladding or coating would be a better proposition and the laboratories are proposing a study to help companies find cost effective uses for the electrodeposited material. There would also be machining benefits, suggests Brooman.

Iron chromium-nickel alloy coatings of commercial quality have not been possible until recently except by cladding techniques, says Battelle. Now, however, Columbus electrochemists have developed laboratory scale procedures and techniques for electrodepositing relatively thick, adherent coatings of stainless steel alloys on to a variety of substrates. The non-porous coatings contain iron, chromium and nickel in various combinations.

Using fast rate electrodeposition techniques (Fred), the coatings have been applied in thicknesses from 0.001 to 0.005 inch. Other thicknesses may be possible.

Based on this technology, for which patent applications have been filed, researchers at Battelle are offering industrial participation in the group study *to help companies* determine whether coatings to meet their needs can be electrodeposited and whether the technology is practical for them.

Participants will be able to learn about the conditions for obtaining alloy coatings of desirable composition, obtain specific data about the alloys, have an opportunity to compare coating properties with those for bulk materials and become involved in the transfer of technology to their own companies.

Clearly, the programme could have important implications for the wider use of stainless steel finishes, leading to improved product appearance and a reduction of corrosion—with prolonged product life.

Membership in the three-year study is open for $20,000 per year per company. Additional technical information can be obtained from Dr Brooman at 505 King Avenue, Columbus, Ohio 43201, U.S. (614) 424 5349.

CABLE TELEVISION

Long freeze is over

A RECENT investigation into the cable TV market indicates that in nine countries—Australia, Brazil, Canada, France, Japan, Mexico, The Netherlands, the UK and West Germany—the market is opening up and the long freeze in international cable and pay TV business is over.

Compiled by Kalba Bowen *Associates of* Cambridge, Massachusetts (617) 661 2624, the 10 volume report has a subscription cost of $11,500 and assesses cable and pay TV *opportunities over the next one* to five years for multinational service operators, equipment suppliers and programme producers. The country reports *also analyse relevant policy and* regulatory developments, major industry forces, demographic and media parameters and the plans and experience of each country (if any) in cable, pay cable, satellite TV and direct broadcast satellite TV.

Current subscribers to the study include the American Broadcasting Company, the BBC, British Telecom, Cox Cable, the Motion Picture Association of America.

A key finding of the study is that the traditional barriers to cable and pay TV growth are evaporating in the face of new market and policy developments. In many cases governments are realising that television cannot *remain a public* monopoly in an age of videocassettes, DBS and cable TV.

The study was conducted by a project team with more than 60 man-years of experience in the cable TV field and is based on over 200 personal interviews and 150,000 miles of research travel.

Data collection

Collecting data from 16 locations

MEASUREMENT DATA from up to 16 measurement locations separated by up to 20 km can be collected using a system called FUCAM from the German company Johne and Reilhofer.

A central head station is linked to ring stations at the measuring locations by a twin conductor ring cable. In its simplest form each ring station accepts an analogue input signal derived from a measurement transducer. In response to a timing signal derived from the head station, each ring station samples the analogue input and digitises it into a 12 bit data word which is transmitted in bit serial form to the ring cable.

These signals are mustered into a PCM bit stream which is delivered into the head *station in a form suitable for* recording on a single magnetic tape track with an instrumentation tape recorder. More from the UK subsidiary on 05827 69987.

Data capture

Guide to retail systems

JUST RELEASED by The Retail Management Development Programme of Brighton (0273 722687) is the latest edition of *Guide to Retail Data Capture Systems,* described as containing "all the information you need to choose the right point of sale equipment for your company."

Priced at £66, the guide examines some 45 supplier companies, 56 general merchandise electronic point of sale systems, 66 electronic cash registers, 42 specialist systems, 31 portable terminals and 19 scanning systems.

Little prior knowledge is assumed: it is intended that the guide should be easily understood by any well *informed manager in a retail* organisation not necessarily specialising in the data processing or capture areas.

Other handbooks in the course of preparation will cover merchandise marking and reading equipment, retail software packages and wholesale and distribution systems.

Biotechnology

Celltech's blood group reagents

Celltech, Britain's specialist biotechnology company, has launched reagents for blood grouping which it says are cheaper and more reliable than those currently available.

The reagents are monoclonal antibodies, an anti-A and an anti-B which distinguish the major blood groups. The world market for these reagents is around £3m in bulk sales and £7.5m at the hospital level.

Celltech plans to introduce monoclonal antibodies *for other blood grouping applications within the next two* years.

Initial work on the reagents was carried out by Dr Ed *Lennox and his team at the* Medical Research Council's Laboratory of Molecular Biology in Cambridge. They are the first products to be licensed to Celltech for development, scale-up and commercialisation under the company's agreement with the MRC.

Celltech says that the reagents have already been tested extensively in UK blood transfusion centres and hospitals. The trials were co-ordinated by the National Blood Group Reference Laboratory. More information is available on 01-831 6131.

Metalworking

Single arm cutter

KINGSLAND Engineering of Hackney, London has introduced the Universal 35XA, *its* latest single arm machine with five work stations for punching, shearing, notching and angle and section cropping. Extra *tooling* is available for square, rectangular and other shaped holes. It costs £3,650. Full details on 01-739 6357.

THE ARTS

Paquita and Pigeons

Clement Crisp

I do not know what things were like back-stage at Sadler's Wells by the end of last week, but casualtiess within the company—14 dancers injured or ill from a total of 52—suggest something of the atmosphere in the wards at Scutari. Such a high percentage of wounded is disquieting comment on policies that sandwich a gruelling visit to the Far East between two London seasons, and bodes ill for a provincial tour during the nastiest winter months. But I record with great admiration that the company disguises any shortage of numbers or aching limbs with sterling professionalism: I saw one of the liveliest presentations of *The Two Pigeons* for many years at Saturday's matinée, and found delightful young casting in *Paquita* on both Friday and Saturday.

Ashton's pair of lovers were Nicola Katrak and Michael O'Hare—making his London début as the hero—with Siobhan Stanley a fire-cracker of a gypsy girl, and Stephen Wicks her saturnine protector. Mr O'Hare, the wonderfully likeable Frantz in *Coppélia* a fortnight ago, showed again what an easy and natural stage presence he has. His playing, full of verve and with emotions on the boil, established a tone of unforced charm in the first act, and gave us a very youthful artist whose love for the girl was all part of a game quite as amusing as his painting career. Only as he darkened the mood at the end of the first act did we sense the touch of some deeper and more disquieting feeling on his happy nature.

His bright presence and bright dancing reasserted the underlying sweetness and playfulness of the piece, and Nicola Katrak's response to him had the right combination of sincerity and sparkiness. Their young friends—very young in this performance, with Leanne Benjamin vividly attractive as she watched the lovers crossing purposes—and the gypsy crew were as eager and dashing as one could wish: the ballet recovered an innocence which is an essential quality of this allegory about true love, and the choreography had again that bloom which made the first performances so fetching 21 years ago (before, dear Heavens, some of these young dancers were born).

The *Paquita grand pas* which preceded *Pigeons* was also an occasion for admiring the junior members of the company. Galina Samsova and Desmond Kelly leading Friday's performance, Marion Tait and Alain Dubreuil on Saturday afternoon, had the authority and experience their roles require, but it was the newcomers in soloist roles who caught the attention.

Sandra Madgwick shone in the quick accents and sharp changes of direction of the second variation, turning the solo in front of our eyes to reveal its glittering facets; Lili Griffiths, in the third and most difficult variation, made delightful sense of its contrasting legato phrases and sudden *accelerando* pirouettes; Madeleine Sheehan brought an opulent manner and eloquent *ports de bras* to the final variation (with its odd references to the first Fairy solo in *Sleeping Beauty*), whose ending, though, needs to be re-worked: it is awkward and imprecise.

Among supporting soloists, Jane Billson with her lovely jump, and Susan Lucas with her bright and buoyant style, also helped confirm how much fresh talent there is in this half of the Royal Ballet, as in the junior ranks at Covent Garden.

Roland/Wolfson Hall, W.6

Max Loppert

The prospect of a Lully *tragédie-lyrique* in five acts given by a semi-professional opera company in a recreation hall adjacent to the Charing Cross Hospital was not an especially inviting one. So it is pleasant to report that what is believed to have been the first modern performance of *Roland*, on Friday, had a good deal more life in it than foreboding could possibly have allowed.

Roland (1685) is the 12th of 13 epic operatic spectacles that with the dramatist Quinault France's most powerful composer created for Louis XIV; its fame lasted for 70 years after Lully's death. The well-rehearsed production by Opera Integra, though it commanded the services of a very capable small orchestra and a good chorus under Brian Galloway, was in every other respect the exact opposite of what one imagines Versailles first heard and saw—a minimum of scenery (that minimum intelligently executed), a cast of modestly gifted singers only tolerably schooled in any kind of French declamation, and a replacement of the crucial dance episodes with tasteful pageantry and processions.

And yet there was some savour to the evening, which leads one not just to congratulate Mr Galloway and producer Ian Gledhill on the genuine skill and commitment brought into play, but to suppose that there may well be more "viability" in Lully—or in this mature sample of his high professional competence—than the French opera revival movement has so far disclosed. The cast could make little of the long recitatives in which so much of Quinault's *Orlando furioso* adaptation is unfolded; but out of simple airs and dance episodes some quite imposing operatic structures are built—notably the Act 3 chaconne and Act 4 "sleep symphony"—and on this occasion their worth was firmly sketched in. Lully may be no Purcell, no Handel, no Rameau; but on this evidence his status deserves more than the dubious distinction of Historical Importance.

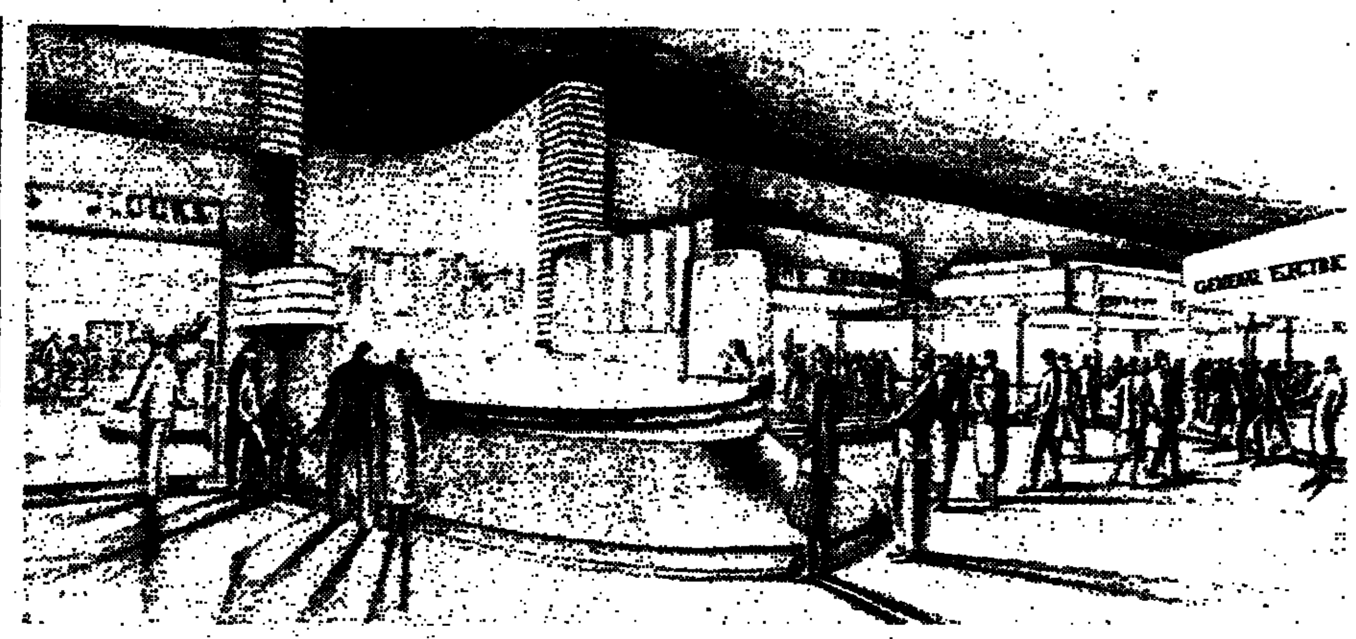
National Theatre to stage 'Lorenzaccio'

The National Theatre is to present Alfred de Musset's *Lorenzaccio*, in a new adaptation and translation by John Fowles. Written in 1834, the play explores the power struggles of the Medicis in 16th century Florence. Michael Bogdanov directs the production, which opens in the Olivier Theatre on March 15.

Orchestra to tour Europe

The London Philharmonic Orchestra is to tour eight European countries in February and March. Under Sir Georg Solti and Klaus Tennstedt, the orchestra will give 17 concerts in Belgium, France, West Germany, Sweden, Norway, Austria, Hungary and Spain.

The 50th anniversary tour, one of the most ambitious undertaken by a British orchestra, is sponsored by Commercial Union Assurance.



Display stand by Rayond McGrath at the Ideal Home Exhibition 1933

Architecture

Colin Amery

A Wright room with a view

No one can doubt the importance of American architecture for the development of modern architecture in the 20th century. What has taken a little longer to achieve recognition is the fact the three great American architects of this century were figures of seminal international importance. H.H. Richardson, Louis Sullivan and Frank Lloyd Wright are at least as important as any architect from the Bauhaus and in many ways more in touch with the concerns of this century than Le Corbusier. In what ways were they more significant?

All three realised that one of the key concerns of their time was the search for a form of ornament that would render the large scale of the new architecture acceptable and expressive. They were all artists in their own right and saw the point of the application of total design—the incorporation of the interior into the general design scheme and the inclusion of the landscape.

As well as an awareness of the value of ornament these three great men understood the value of nature.

As part of the process of honouring the greatness of one of these men the Metropolitan Museum in New York recently opened a Frank Lloyd Wright room on permanent display in the American Wing. It is the first 20th century period room in the museum—and it has overtaken the long-delayed installation of the Frank Lloyd Wright room still in store at the Victoria and Albert Museum. Accompanying this opening is an exhibition of much of the Lloyd Wright material that belongs to the Metropolitan. The room came from the house that Lloyd Wright designed for the Little family at Wayzata, Minnesota, during the period 1912 to 1914.

The Metropolitan is a museum that believes in expansion. It is also fortunate enough to be generously endowed so that every new wing is more glamorous and more exciting than the one that preceded it.

The Wright room benefits particularly from its orientation in relation to Central Park. It has been installed with two exterior walls so that there are fine views into the grass and trees. The passages that link it to the rest of the American Wing have been treated like the terraces of the original house.

The Little House was built as a summer residence and it spread over a site by the shores of Lake Minnetonka. The living room is a reflection of the grand scale of the house. It is 30 feet by 45 feet and has a 14 foot high ceiling. It was intended for use as a private music room and it is probably one of Wright's largest domestic interiors.

The most striking aspect is the patterning of oak strips in geometrical arrangements on the high ceiling. The windows are finely leaded in elegant patterns and the ceiling light fixtures are very good examples of Wright's glass design.

This is one of the key rooms of the 20th century in a museum setting. It may not be the most important Wright interior and indeed if it was it would be preferable to see it in the setting of the house for which it was designed, but it is masterly and an informative place to visit.

Until February 27 visitors to New York will have the additional pleasure of seeing the exhibition of the Metropolitan's other Wright material. Nearly 100 objects are displayed including furniture, architectural drawings, ceramics, and architectural fragments. It is an important and beautiful display.

Two chairs and some of the china from the Imperial Hotel in Tokyo accompanied by photographs of the original settings are poignant reminders of the glories of this great masterpiece of modern architecture.

A selection of Japanese prints shows the sources of much of Wright's design thinking and helps the visitor to gain a real insight into the way Wright saw the world and used his vision to redesign it.

*

In London at the end of last week a series of exhibitions opened to which I will return. The best is called *Look Stranger at this Island now* and shows some good British architectural drawings of the 1930s. The excellent catalogue by Alan Powers is an enthusiastic justification of some neglected figures.

The illustration that accompanies this article by Raymond McGrath is a sample of the high quality of many of the exhibits. The show is at the Architectural Association, 36 Bedford Square, London, WC1, until February 12, and I hope to discuss it in more detail at a later date.

The Impresario from Smyrna/Glasgow Citizens'

Michael Coveney

The last time the Glasgow Citizens' dealt with an impresario hanging around Venice, the subject was Diaghilev. Robert David MacDonald's *Chinchilla*, which I always think of as the Bakst-age follies, was a high point in this theatre's creatively obsessional thespian adventure. It is an inspired move to link that theme in the company's work with Mr MacDonald's new translation of Goldoni's slight but interesting contribution to the Venice Carnival of 1761.

It may not be vintage Goldoni, but the piece is full of satirical detail of 18th century opera manners. The key character is Count Lasca who acts as opportunistic go-between in the absurd aspirations of a group of Venetian prima donnas and a newly arrived Turk, Ali, from Smyrna. The would-be impresario knows nothing about opera, but everything about the role of stage door Johnny.

In some ways the play sets a precedent for Gogol's *The Government Inspector*: a tight-knit community is seen bitching for preferment and is finally left by its supposed benefactor to fend for itself. We never know how talented the aspirants may be, and one of MacDonald's witty jokes gets this point across at the same time as exploiting Ali's tenuous hold on the lingo: "Give me Handel" he instructs one of the divas. She draws breath but is deterred from singing by the realisation that "handle", or her name, is all that has been requested.

The play has never been performed in Britain and MacDonald's translation is certainly a vast improvement on the only other version I know, Clifford Bax's, published in 1922. Like Bax, MacDonald makes no attempt to grapple with Goldoni's long passages of lively verse. Instead we have a characteristic Citizens' script replete with ebullient anachronisms and scathing insults to deck out the vicious rivalries.

Michael Levine's design is predominantly black and white, costumes elaborately constructed in flimsy canvas, baroque perruques worn by the singers each of whom is accompanied by a piece of cut-out moving scenery manipulated by a stage-hand. These fragments of classical scenery are punctured by peep-holes to both assist their manipulation and provide a dry visual comment on the charade from the stage-hands.

This device really pays off when Lasca announces Ali's departure: the flats fall flat, the upstage-facing singers are caught, literally, with their pants down and their parts, or at least some of them, hilariously exposed. Goldoni suggests that the ensemble spirit is the only basis for proper achievement, but the Citizens' know that already and cheekily send up the conclusion in a scene of renewed chaos and screaming temperament.

As Ali, Laurance Rudic is an Egyptian-tanned caliph whose costume, like his white sofa, is a riot of Turkish hieroglyphs. This performance, within the narrow confines of opportunity it offers, is a success. So are the efforts of Fidelis Morgan, Jill Spurrier and Jane Bertish as the awkwardly mobile donnas sensibly differentiated by nationality rather than, as in Goldoni, by Italian provincial derivation. Ron Donachie's male soprano Carluccio is a triumph of screeching egotism.

MacDonald's own direction lets him, and the play, down rather badly in the performances of Peter Rumney as Lasca, insufficiently authoritative of both personality and technique; of Ciaran Hinds as the pathetic librettist Maccario, incomprehensibly tucked up in a self-effacing cloud of dusty and not very well projected alcoholism; and of Robert Gwilym, irritatingly indefinite of speech and gesture as the agent Nibio, a gratuitously semitic merchant of Venice.

That said, the piece is certainly a collector's item and one that adds lustre to the Citizen's honourable Goldoni tradition. In any other British theatre, the Italian maestro is only acknowledged, and not all that often, in revivals of *The Servant of Two Masters*. Even on an off-day, the Citizens' preserve their reputation for invaluable dramaturgical excavation allied to incomparable stylistic élan.

The Siege of Corinth/Florence

Max Loppert

The opening production of the Florence opera season was of a once-famous Rossini work—*Le Siège de Corinthe* of 1826, a milestone in the creation of the 19th century Grand Opera. After the *Tancredi* recently seen in Aix and Venice, and the *Semiramide* in Aix and Paris, it is clear that the lesser-known serious Rossini is coming back.

The Florence production, given as *L'assedio di Corinto* in the 19th century translation of Calisto Bassi, was a dignified, considered effort. The score was not disfigured with cuts, replacement items, and garlands of additional embellishment in the intemperate fashion of the only modern recording (a memento of the performing edition created for Beverly Sills in her celebrated 1968 Scala and 1975 Metropolitan debuts). It was the opera that Rossini himself revised from his Neapolitan *Maometto II* of six years earlier; and if it made for an evening worthily rather than enthusiastically spent, the problems lie in the nature of the opera itself—a transitional work, almost a Rossini "Reform opera" (except that it was himself he was reforming), noble but awkward to bring to life.

Le Siège was the first of the French *grands operas* (*Moïse* and *Guillaume Tell* the other two) with which Rossini ensured his conquest of Paris. In brief, he stripped the Neapolitan original of much of its vocal bravura, creating (according to Philip Gossett in the New Grove) a "more consistent, if less audacious, dramatic continuum." The chorus was brought forward in musical and dramatic importance; the way had at various junctures been prepared by Gluck, Cherubini and Spontini, and now the grandiose operatic structures were being prepared in earnest which would dominate or challenge every branch of 19th century serious opera. *Le Siège* is a very grand composition, austerely through-composed and richly supplied with ensemble numbers (only a single unit is a solo *scena* into which the voices of other principals or of choral support are not drawn).

But, more than in *Moïse* and *Tell*, it is a work in which something of a dichotomy can be felt. For while the serene invention of the music (Rossini exploring his wonderful Gluckian and Beethovenian veins, at one point—the famous choral hymn—even presaging Schumann's Romantic warmth) seems to strike paths forward, the drama is essentially backward-looking. The love-versus-duty plot is built entirely upon statuesque emontional expression rather than being "dynamised" in the manner of the Meyerbeer-Scribe collaborations. And so the difficulty in reviving the work successfully lies in its combined demands for convincing dramatic attitudes simultaneously with purely moulded singing. Even the denuded Rossini vocal line requires agility; but, more important, it requires steadiness, breadth, and amplitude of phrase.

The Florence cast, acceptable by the standards of the day, was insufficiently grand in vocal accomplishment to sustain the ample structure. As the heroine Pamira Katia Ricciarelli moved simply, touchingly, with real sweetness; while the same descriptions applied to some of her singing, her soprano seems a more unpredictable instrument than ever. (In the 1949 Florence *Assedio*, Pamira was the young Tebaldi). The tenor role of Néoclès, traditionally assigned to a mezzo, to the young Frenchwoman Martine Dupuy (replacing Sandra Browne); the voice boasts an individual timbre and some fluency, but it was let down by hangdog stage presence. Both leading bass roles—Mahomet, the Turk whom the Greek Pamira loves, and the lesser figure of the Greek priest Hiéros—were undernourished; in the first Nicola Gyuselev was a powerful sound-making machine, in the second Antonio Zerbini was just passable. The tenor Ottavio Garaventa, unlovely of tone, brought to the lines of Pamira's father utterance more incisive than anyone else. By such a team, the duets, trios, quartets, and other ensembles of the score were not always securely shaped.

Pier Luigi Pizzi's production, against sets (of his own design) of obelisk figures, temple facades, and flights of steps, "thematically" coloured in golds, reds, and blacks, was handsome but not always alert. The final massacre, achieved while the music rushes to a remarkable orchestra-only close, was feeble; chorus handling was generally jerky, though saved from unintended comedy by fine, strong singing. Likewise, Eliahu Inbal's conducting of the colourful Florence orchestra held the three acts together but failed to pace the work so as to reveal its more striking features. The performance was gratefully, not warmly received: on balance, a just assessment.

Alison Limerick/Riverside

Antony Thorncroft

Alison Limerick, a dancer with London Contemporary Dance Theatre, gave her first major concert as a singer at Riverside Studios on Saturday. It is a fair bet that it marked the start of a famous career. For Ms Limerick, at 23, firmly placed herself in a tradition which leads directly to the likes of Elizabeth Welch and Adelaide Hall. She seems to have avoided all the American black singers—the Warwickes and the Franklins and the Rosses — and gone straight to the heart of the blues. She may not have the style and the assurance of the Americans but as yet she is not tainted with their gloss and affectation and ego.

Like many young singers now she appreciates the standards, throwing in "My funny valentine" and "Easy to love" early on and highlighting a short set with "I love you Porgy." There are originals, and the excellent backing band learned its skills in rock rather than jazz, but basically the song is back, indeed the love song is back, and in such imaginative contemporary hands it comes up wonderfully laundered. Alison Limerick may sound better singing low with emotion than high and swinging, and she owes an awful lot to the band, but now she can choose between a career at Ronnie Scott's, on Channel 4, or Las Vegas.

It was good to see Riverside crowded. Its fight for survival continues with optimism: despite the "work in" and the absence of wages Le Cirque Imaginaire has been booked from next Wednesday until the end of January, and on February 10 Michael Nyman is presenting the British première of his music to *The Draughtsmans Contract*.

Deane appointed

Dr Basil Deane, music director of the Arts Council of Great Britain, is to become the first director of the Hong Kong Academy for Performing Arts.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

January 14–20

Music

PARIS

Paul Badura Skoda: Beethoven, Mozart, Schubert (Mon) Salle Gaveau. (563 2030)

Gabriel Tacchino: Poulenc, Mozart, Liszt, Chopin (Mon) Théâtre des Champs Elysées. (723 4777)

Ensemble Orchestral de Paris conducted by Jean-Pierre Wallez with Bernard Ringeissen, Piano: Fauré, Chausson (Tue) Salle Gaveau. (563 2030)

Alfred Brendel, Piano: Beethoven Sonatas (Tue) Salle Pleyel. (563 8873)

Orchestre National de France conducted by Gerd Albrecht, Regis Pasquier, Violin: Tchaikovsky, Mendelssohn (Tue) Theatre des Champs Elysees. (723 4777)

Orchestre de Paris conducted by Daniel Barenboim with Jessye Norman and the Orchestre de Paris choir conducted by Arthur Oldham: Wagner (Thur) Salle Pleyel. (563 8873)

Ensemble Orchestral de Paris with Jean-Pierre Wallez as conductor and Soloist: Mozart, Debussy, Stravinsky (Thur) Centre Pablo Neruda in the suburb of Creteil. (089 0072)

LONDON

BBC Symphony Orchestra conducted by John Pritchard with Walter Klien, piano. Schubert and Mozart. Barbican Hall (638 8891) (Mon and Tue).

London Philharmonic Orchestra and Choir conducted by Bernard Haitink with Alfreda Hodgson, contralto, Richard Lewis, tenor and John Shirley-Quirk, baritone. Elgar's The Dream of Gerontius. Royal Festival Hall (Tue).

BBC Singers conducted by John Poole with Kathryn Stott and Yitkin Seow, piano duo. Barbican Hall (Tue and Wed 1pm).

Chilingirian String Quartet with Nobuko Imai, viola. Schubert and Mozart. Barbican Hall (Tue and Wed).

Halle Orchestra and Choir conducted by James Loughran with Stephen Hough, piano. Elgar, Ireland and Holst. Royal Festival Hall (Wed).

New Mozart Orchestra conducted by Clive Fairbairn with John Lill, piano. Mozart, Beethoven. Queen Elizabeth Hall (Wed).

Trio Vienna, flute, bassoon and piano. Purcell Room (Wed).

London Symphony Orchestra conducted by Claudio Abbado with Cecile Licad, piano. Rachmaninov and Mahler. Royal Festival Hall (Thur).

Idil Biret, piano. Bartok, Boulez, Schumann and Prokofiev. Queen Elizabeth Hall (Thur).

NEW YORK

Avery Fisher Hall: New York Philharmonic, Larry Newland conducting, Janice Meyerson mezzo-soprano. Carter, Bernstein, Sibelius (Tue); Giuseppe Sinopoli conducting, Malcolm Frager piano. Bussotti, Mozart, Schumann (Thur). (874 2424)

Alice Tully Hall: Chamber Music Society of Lincoln Center, Charles Wadsworth director, Benny Goodman clarinet, Dong-Suk Kang violin, Nathaniel Rosen cello. Beethoven, Kodaly, Mozart (Mon, Tue). (362 1900)

92nd St. Y (1395 Lexington Av): Scottish Chamber Orchestra, Jaime Laredo conducting. All Mozart programme (Tue, Wed). (427 4410)

Metropolitan Museum of Art: Peinemann, Hanani, Auer Trio. Beethoven, Schubert, Brahms (Thur). (570 3949)

WASHINGTON

Concert Hall (Kennedy Center): Scottish Chamber Orchestra, Jaime Laredo conducting. All Mozart programme (Mon); National Symphony Orchestra, Mstislav Rostropovich conducting, Anne-Sophie Mutter violin. Mozart, Beethoven, Prokofiev (Tue, Wed, Thur). (254 3776)

Eisenhower Theater (Kennedy Center): Eubie Blake: A Century of Music honours the popular American composer and benefits the Eubie Blake Cultural Center in Baltimore (Thur). (254 3670)

VIENNA

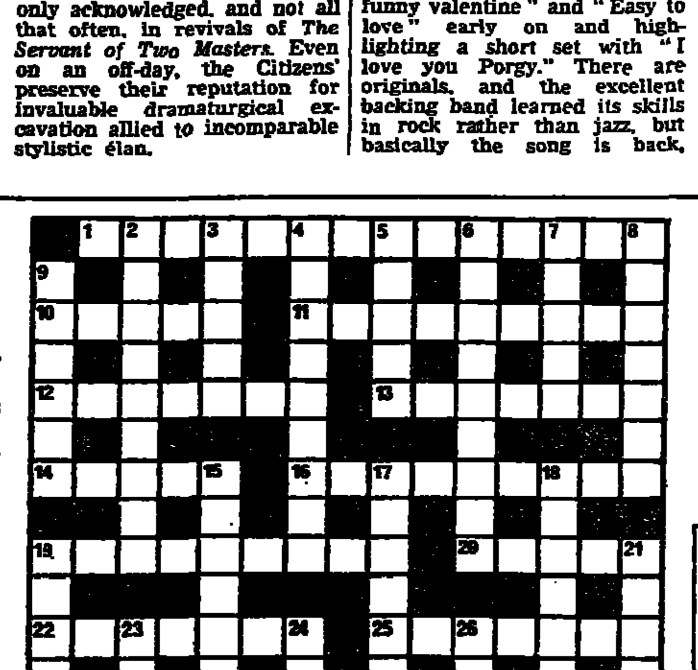
Prague Symphony Orchestra, Prague Philharmonic Choir, Conductor Jiri Belohlavek. Janacek (Tue); Vienna Symphony Orchestra, Conductor Christoph von Dohnanyi, Anja Silja, Soprano. Schoenberg, Haydn and Beethoven. (Thur). Konzerthaus (721211)

ITALY

Rome, Auditorium via della Conciliazione: Wührer Quartet. Schoenberg and Beethoven (Mon and Tue).

Milan, Conservatorio Giuseppe Verdi: Alirio Diaz, guitar, plays Vivaldi (Mon).

F.T. CROSSWORD PUZZLE No. 5,073



ACROSS

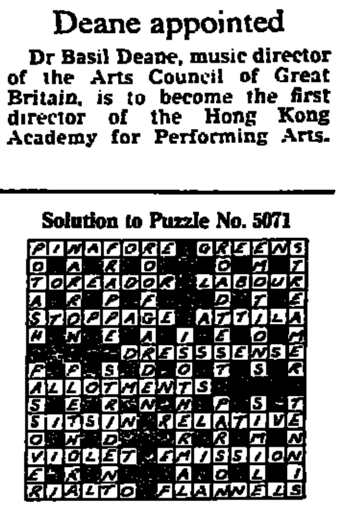
1 Mark in Bonn? (7, 7)
10 It's to perplex the composer (5)
11 Newsreader Anna almost has little weight by right (9)
12 Sounded bell in river disorder (7)
13 Large number right in a predicament give a gleeful chuckle (7)
14 The way a member will put his foot down (5)
16 I am tense and have some flaws (9)
19 Come between to cover free development (9)
20 Judgment of scout leader in the gallery (5)
22 At home certain somebody starts and has a policy (7)
25 Enriched although was in debt at the finish (7)
27 Moved fast and heavily—and stormed? (9)
28 Theatre for musical works (5)
29 14 possibly worth keeping (10, 4)

DOWN

2 Former pupil with civil employee taking notice (9)
3 Lamblike, the Spanish boy (5)
4 Plant yielding underground information (9)
5 Shaped like an ice-cream possibly the commander holds one endlessly (5)
6 Wealthy person with great influence will put novice in before actor breaks down (9)
7 Implied that one is intact (5)
8 50 greats potentially of maximum size (7)
9 Quarrelling over the starting price (2, 4)
15 Bird with an incomplete crest (9)
17 He makes a claim before the offer is made (9)
18 Neither here nor there (9)
19 Amin to come up in charge—that's foolish (7)
21 Intend earnestly to charm (6)
23 This cap for the human head (5)
24 Fish for a lean meat eater (5)
26 Loin cloth I'd perhaps get hot in (5)

The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

Solution to Puzzle No. 5071



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Monday January 17 1983

Debt aid for Yugoslavia

A RESCUE effort is being mounted for Yugoslavia. Its worsening economic problems have — at last — reminded a number of governments of the stake they have in the well-being of this non-aligned country in a very sensitive part of the world.

Two key meetings will take place in Switzerland this week —one by commercial bankers to discuss the Yugoslav debt picture and the second by officials from a variety of western countries, plus Japan, to put finishing touches to a special aid package for Yugoslavia. In conjunction with this, western central banks are considering giving Yugoslavia some bridging finance.

Why does Yugoslavia need or merit help? During its fast growth of the 1970s it piled up a high level of foreign debt, $18bn-$19bn (£11bn-£12bn). It now finds it very hard to service the debt at a time of severe stagflation. *Recession-hit* markets in the West are unreceptive to its exports and it has had to cut imports drastically to conserve foreign exchange.

Burden

Last October the Government of Prime Minister Milka Planinc stepped up its austerity programme, with measures to boost exports (a 20 per cent devaluation of the dinar), to save energy (petrol rationing) and to save foreign exchange (a tax on foreign travel). But these steps have not alleviated the burden of shouldering an annual debt servicing bill in excess of $4bn.

Yugoslavia might thus seem a natural candidate for debt rescheduling. Some Western commercial banks have indeed urged such a move, on at least part of the Yugoslav debt, and Belgrade may have to agree. But the Planinc Government has for political reasons set its face resolutely against a full-scale debt rescheduling.

It does not want Yugoslavia tarred by association with Poland and Romania, which are already rescheduling their debts. Yugoslavs already dislike the tendency in the West to lump their non-aligned country in with Comecon. More important, the Planinc Government feels that an open admission of defeat on debt repayments, which is what rescheduling is, would deal a very damaging blow, in the eyes of its citizens and foreigners, to Yugoslavia's distinctive brand of communism, based on "self management."

To some degree, Yugoslavia's decentralised economic system, in which individual republics and groups of workers have the major say in running their affairs, has compounded the country's problems.

Resolve

Yugoslavia's eight republics and provinces have often interpreted autonomy as autarchy. Each has sought its own infrastructure. Ill-co-ordinated investment has led to duplicated steeel mills, oil refineries, and so on. Central control on foreign borrowing has been weak. Goods, capital, foreign exchange do not flow freely in an internal market increasingly fragmented along republican lines. Using their "self management" powers, workers have naturally tended to put wages first.

But the Planinc Government has shown stronger resolve than its predecessor in standing up to republican interests. Spurred on by the International Monetary Fund, it is raising interest rates to make new investment more rational, and doing its best to cut real wages. These are changes which Western governments and central banks need to see.

Yet some decentralisation is inevitable and necessary in a region that gave the world the word "Balkanisation." Eighteen nationalities live in Yugoslavia, and they need elbow room to live in peace with each other. It is important to the West that non-aligned Yugoslavia, wedged between Nato and the Warsaw Pact, stays stable. The country weathered the death of Tito two years ago, but the West needs to do what it can to cushion the impact of austerity in Yugoslavia, so that political and social tensions there do not become unmanageable.

What can the West do? Yugoslavia is not an easy country to help, because of its non-alignment. It cannot accept aid with a strong political flavour. The U.S. initiated the idea of a special aid package, but passed the co-ordinating role on to neutral Switzerland. Given the number of countries with an interest in Yugoslavia's well-being, an aid package of sufficient political diversity should be possible.

Spending on London

THE GOVERNMENT's decision last week to reject out of hand most of a wide-ranging list of capital projects from the Greater London Council raises a number of important issues, not least whether the Government has any coherent strategy on public sector capital investment.

The GLC, which persists in being its own worst enemy in its silly and threatening style of presentation, is a council which has behaved responsibly under the current Labour leadership on all aspects of its capital programme.

It is not one of the capital underspenders which have aroused Mrs Thatcher's ire and contributed to the desperate straits of the building and construction industry and although the sale of municipal assets is politically distasteful to Mr Ken Livingstone and his colleagues they have been far from slothful in the disposal of land and property to finance their extensive capital investment plans, especially in the inner city.

It seemed logical and commendable, given Mrs Thatcher's plea for large increases on capital spending up to the end of the current financial year, to *forward a substantial* package of projects for 1983-84. The GLC proposals ranged from much needed investment in the fire service to flood and drainage schemes and an extra stimulus to factory rehabilitation, small workshops and some general urban improvements.

Dismay

These schemes needed Government permission for the GLC to raise £75m in funding. The council's dismay at being allowed only £9.6m is understandable.

This decision makes sense only if the Government's use of past expenditure based on 1975 figures is a sensible way of setting capital limits. The Government's position is defensible only if it seems reasonable for capital spending arrangements to veer, without warning, from a six-month moratorium on housing expenditure (from October 1980) to exhortations to spend as much as possible (November 1982) to the wholesale rejection of an attempt by the GLC to enlarge its capital programme towards job creation and a stimulus for the construction industry (January 1983).

The GLC leaders have responded to the Government by threatening to make no capital investments in those areas of London represented by an MP who fails to vote in the Commons for a raising of the GLC limit. This foolish and illogical reaction should not deflect attention from the central issue.

Concern

The capital arrangements are in need of urgent review to make them sensible. Mr Tom King, Environment Secretary, should consider allowing councils complete freedom to *spend all their receipts from* asset sales as they wish (rather than the newly-imposed 50 per cent). The Government has built plenty of inhibitors on capital into the constraints on council revenue expenditure; capital underspends are a fact rather than a fear. So he could assert himself imaginatively and take a bold step by removing all controls on capital spending.

The unsatisfactory nature of capital controls is of concern to all councils. Thus it can be considered objectively, irrespective of whether the Cabinet gives its final blessing this week to the future dissolution of the GLC and the six metropolitan counties, first agreed by a Cabinet committee as long ago as June 1981.

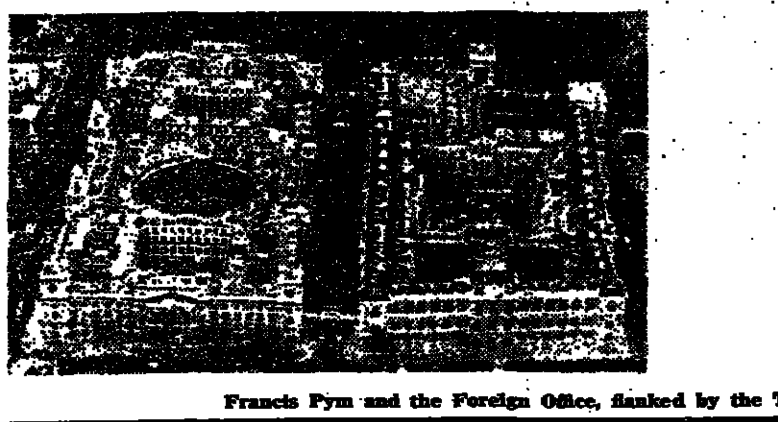
There is a growing consensus that two-tier local government is inefficient and blurs the lines of financial accountability. The GLC and the metropolitan counties have been candidates for abolition since they were created as strategic authorities but denied strategic powers.

Yet transferring their functions would be extremely complex, particularly in regard to fire, transport and waste disposal. The GLC responsibilities cover a daunting 6m people and these services are not sensibly or efficiently provided by each borough. Before large quangos, joint boards or ad hoc committees are created for each function the Government must be sure that the new will not be worse and less accountable than the old. Mr King should move quickly on capital reforms and cautiously on reform of the capital.

Our Diplomatic Correspondent reports on the battered morale of Britain's Foreign Office

The loneliest men in Whitehall

By David Tonge



Francis Pym and the Foreign Office, flanked by the Treasury and 10 Downing Street

THE HUNT is on: "It's open season for the Foreign Office" says one senior Whitehall official from another department regretfully.

His remarks come on the eve of the publication of the Franks report into how Britain found itself at war with Argentina and at a time when the right-wing of the Conservative Party once again has the department's "languid appeasers" firmly in its sights.

The success of the Foreign and Commonwealth Office in maintaining support for Britain last summer has been forgotten as a series of differences between Mrs Margaret Thatcher and her Foreign Secretary, Mr Francis Pym, has underlined the isolation in Whitehall of those who act as Britain's voice in the world.

The results are already evident. Morale in Gilbert Scott's ornate palazzo is battered. "My friends tell me not to press for any decisions now," one senior British diplomat says on the telephone from his post abroad. "We no longer think the Foreign Office speaks for Britain," warns a Western embassy official in London. "We're all booking our appointments with Downing Street," adds an Arab ambassador.

By dint of unchallenged repetition, these extreme statements risk becoming self-fulfilling. It is true that senior civil servants from other ministries tell visitors that FCO officials are as cogent and forceful as ever in the myriad inter-departmental committees on which they are represented. True, too, that many Western diplomats pour cold water over the scepticism reported above. "We simply don't share the view that FCO statements are unreliable and now you have to check elsewhere," says one European embassy.

There are other voices like that of Sir Ian Gilmour, long Lord Carrington's Foreign Office deputy, who says: "If it were running our economic policies, we wouldn't be in the *mess we are.*"

The prevailing view is that Britain's diplomats and their Secretary of State are now as isolated as at any time in the recent past. "It took the Treasury a good year to live down the £5bn it 'lost' in 1974. Today it is the FCO's turn for a prolonged siege," says one civil servant.

Apart from renewed questions over the Falklands, the past weeks have also seen:

● An open clash between the FCO and Mrs Thatcher over *how to handle the Palestine* Liberation Organisation.

● A dispute over Mrs Thatcher's refusal to attend the funeral of Leonid Brezhnev, followed by a clear split over how to respond to the peace proposals from the new Kremlin leadership — although yesterday the Prime Minister appeared to move closer to the FCO view.

● A vigorous press campaign against Mr Pym which some MPs believe to be fuelled by close colleagues of Mrs Thatcher.

● Sir Anthony Parsons, Britain's former ambassador to the Shah and the United Nations, starting work as diplomatic adviser to Number 10—seeming to underline her distrust of the other side of Downing Street.

Mr Pym would certainly say that all this is a grotesque exaggeration. He might be tempted to quote a remark *Lord Carrington his predeces*sor made in March when his reputation was at its height: "I do not think that there was ever a golden age when foreign secretaries were left to deal with abroad as they thought best—generations of prime ministers have seen to that."

Equally, the increasing complexity of the world has long been reflected in the way the FCO has only one voice in the committees of Whitehall.

Yet at present the man chosen in the bleakest moments of the Falklands crisis precisely because of his independence from the Prime Minister finds this independence his biggest drawback as Mrs Thatcher asserts her authority. Her colleagues say that part of the problem is personal. "Francis is too buttoned up. He tends to sit glumly while she thrashes out matters in O and D (the main foreign policy committee)" one says.

The personal problems would matter less were they not also matched by political differences. In the long battle for the soul of the Tory Party Mr Pym has found himself fighting a rear-guard action on behalf of the Macmillan tradition of "leadership by persuasion" while Mrs Thatcher has chosen "the crusade of confrontation." The difference shows up clearly in foreign policy.

Mr Pym emphasised his priorities last October by choosing as the theme of his Churchill Memorial Lecture in Luxembourg—an important annual set-piece—to talk of the world's institutions. It reflected the importance he attaches to the traditional post-war Conservative approach of seeking to rebuild, through international co-operation in bodies such as the UN, IMF, World Bank, Nato and EEC, a world devastated by conflict.

It is a view close to that of his predecessor, Lord Carrington. But Mr Denis Healey, Opposition spokesman on foreign affairs, argues that it is totally rejected by Mrs Thatcher and the "little Englanders" closest to her. He claims that they suffer from "an erosion of institutional memory," seeing such bodies merely as battlegrounds for national interest narrowly defined. "She and her footmen are what I call global unilateralists while she herself is difficult, opinionated and ignorant," Mr Healey says.

When it comes to the Foreign Office itself, he is more shaded. Its officials are "very good, of very high quality." As Defence Secretary he had *his* battles with them. "The Treasury knew the price of everything and the value of nothing. The Foreign Office thought everything was invaluable."

This impression of a friendless department is confirmed by those close to Mrs Thatcher. "She is out batting for those who work, and hard. She thinks a lot of many of our diplomats. Others just do not seem to belong to this world. She is characteristically suspicious that they are ready to sell out their country. They have to take that as read," says one MP.

Defenders of the foreign office can justifiably point out that it is one of the most efficient in the world. Certainly there has been the odd incident such as that of the Minister who first learnt of the shooting of Sadat from two tea-ladies who were discussing it in the corridor; his officials had not seen fit to warn him of the reports coming in.

Dr David Owen—the SDP spokesman on foreign affairs and a *former* foreign secretary known for *his* own mauling of advisers—Mrs Thatcher and Sir Ian Gilmour all agree with Mr Healey that it contains extremely clever, hard-working people. Its reporting system is the envy of its foreign counterparts.

That said, the substantive charges against it are serious.

In his book on British foreign policy, Mr William Wallace, of the Royal Institute of International Affairs, cites several key areas where the FCO has failed since the war. The main ones are in underestimating continental Europe's commitment to building a European Community, in misreading the Middle East before Suez, accepting too large a commitment to Nato in 1950 and omitting a safeguard clause from the 1955 Bonn agreement on maintaining troops in West Germany, in failing to expect and plan for UDI in Rhodesia, and shortsightedness in building major bases in Kenya and Aden in the early 1960s.

More recently there has been criticism. Over Poland, for example, the FCO's initial reaction was mild. It argued that martial law meant the economy might work and that British banks might get their money back. "Can you imagine trying to sell that to the House of Commons?" one MP asks.

For his part Dr Owen attacks the Arabists influential in King Charles Street for risking the isolation of Britain from the U.S., the one country able to influence Israel, and from Israel itself. His main criticism is of the officials who deal with the EEC.

Suggestions that the FCO is only too happy to settle for one-third when Mrs Thatcher wants two-thirds cause anger to many who know the subject. "All the rest of Europe thinks we got a remarkable deal last year," one official claims. Another, who has seen the EEC at work, maintains that the British are usually among the best at arguing their case.

Yet the image of seeming overwillingness to appease foreigners remains. To some extent diplomats are resigned to it, insisting their duty is to make clear the costs abroad of a particular policy. They deeply resent the implication that this involves sacrificing the *national interest.* "Often it is we who argue the national interest while other departments only worry about sectional concerns," one top diplomat used to battling in Whitehall says with feeling.

There is also another kind of political problem. The convention cited by Foreign Office officials is that it is for Ministers to deal with Parliament. "You cannot have us going around without orders," one says. A second reason given is that the "traditionally bipartisan nature" of foreign policy on most major issues means the FCO spends less time with the House of Commons than spending departments involved in more domestic controversy.

MPs who have worked in several ministries express horror at the relative ignorance of the Foreign Office about how to deal with the House of Commons. They cite the bemusement of officials when it came to the problems of repatriating the Canadian constitution. They also criticise the disdain that much back bench opinion encountered.

Awareness of the problem is one of the reasons why Sir Michael Palliser, until recently head of the Diplomatic Service, strangely supported the establishment of the Select Committee on Foreign Affairs. To date, this has still to find its feet and to start the debate on foreign policy which Mr Pym says he would like. Had the committee been established earlier it might have discovered in time that Britain was maintaining an impossible juggling act over the Falklands. Perhaps it is precisely because the Foreign Office appeased not foreigners but Ministers that it finds itself in the storm it does today.

The elite is changing, but it still keeps its distance

"Of course, we have our own esprit de corps," says one top diplomat. It is reinforced both by the way of life of diplomats and by the fact that theirs is the only group separate in organisation and recruitment from the Home Civil Service.

Certainly the type of recruit to the Diplomatic Service has changed from John Bright's day, when it was described as "a gigantic system of outdoor relief for the British aristocracy." In 1945, the 23 "high-flyers" recruited were all men, 21 of them coming from public schools and 20 from Oxbridge. In 1981 14 of the 18 entrants into administrative grades still came from Oxbridge, but private education provided only half the intake. As a further change, entrants into the lower "executive" grades can now hope to join the diplomatic mainstream — and in the executive intake the share of Oxbridge is very much lower.

That said, the ratios are still strikingly different from these in the Home Civil Service. Here Oxbridge accounted for 50 per cent of the external intake into the administrative level in 1981, compared with 78 per cent in the Diplomatic Service, while women made up around 40 per cent compared with 11 per cent.

Reinforcing this sense of a *group apart is the life* the diplomats lead as they spend their department's £230m budget. Certainly, two ambassadors have been shot recently and few home civil servants would like to be in Ulan Bator or Sana'a, or many others of Britain's 200 posts in 120 countries. But, whatever the price, representing Britain abroad leads to a grander style of life than commuting Whitehall.

Crucially, *this runs the risk* of isolating Britain's 5,500 diplomats (a similar number of staff, incidentally, as Harrods) from the country they represent. The need for a group of people willing to accept posting abroad, with all this means for a spouse's career or children's education, means there *is* little talk of merging them with the Home Civil Service.

Interchange between the two *is being encouraged,* but the limited nature of the exchange so far—involving a mere 1 per cent of all Britain's diplomats, though around 3 per cent of the 1,500 at home—is one of the reasons why, as one MP puts it, "they're better on the tribal feuds in the Emirates than the difference between Birmingham and Manchester."

Men & Matters

Korf's steel

"You may be right that I was . . . and am, one of the most dynamic and expansionist West German entrepreneurs," said Willy Korf, making it clear right away that the Frankfurt press briefing on the financial collapse of his steel empire would not be an occasion for apologies.

Sun-bronzed and sharply *dressed, 53-year-old Korf* showed much of the belligerence and resilience with which he first took on the staid West German steel barons and became a legend of the Federal Republic's postwar economic miracle.

Do you want to carry on as an entrepreneur he was asked. Korf had no hesitation, despite the fact that half his West German operations are already in the hands of the German courts and everybody now wonders if the DM 1bn sales-a-year U.S. business can survive. "Of course I want to carry on," he said.

And the financial collapse of the German holding companies? Had he made mistakes? "The only problem was the problem of the steel industry as a whole . . . the distortion of competition through state subsidies in competitor countries," Korf declared.

Korf Stahl supervisory board chairman Johannes Welbergen remarked that it was perhaps a bit arrogant not to admit that the company had made mistakes—but Korf showed no sign of contrition.

Who had caused him most problems in Germany? The question touched off a bitter *attack on the French steel* makers. "Our French subsidiary made a profit of FFr 25m last year," said Korf, "and that proves that mini-steel works are competitive."

But steel prices in France were higher than those at which the French were exporting into West Germany; and, as with video recorders, the French made sure that their own steel market was protected against imports.

In the U.S. where Korf Industries is facing heavy losses, only Government intervention had prevented anti-dumping suits against French, Belgian and British steel exporters, he added.

There is still, it would appear, a lot of fight left in Korf. He may be down, but it is a bit early yet to count him out.

"You'd think they would have started with a serial"

Mafia man

Meyer Lansky, who died at the weekend at the age of 81, was for decades recognised as the financial genius of the U.S. crime syndicates—but he *only* ever spent two months in jail.

He was a tiny man with no personal record of violence. Yet he ran with murderers Lucky Luciano and Bugsy Siegel and is said to have made a $300m fortune in illegal gambling.

Born in Russia, he was brought to the U.S. in 1911 and grew up in the harsh world of New York's lower East Side. By the early 1920s, he was already cutting a dash in the East Coast underworld.

A nimble entrepreneur, Lansky switched from bootlegging to gambling after the repeal of prohibition and continued to flourish through changes in laws and administrations.

Little upsets like the Castro revolution which destroyed his substantial gambling interests in Cuba were quickly offset by other ventures which were said to include loan-sharking, the first big hotel casino in Las Vegas, and a number of more regular business interests.

As an FBI agent once opined: "He would have been chairman of the board of General Motors if he'd gone into legitimate business."

Sizewell appeal

Industrialist Lord Kearton—26 years a member of the Atomic Energy Authority and six years on the Central Electricity Generating Board—has agreed to help in a belated appeal for £500,000 to finance objectors at the Sizewell nuclear power station inquiry.

"I am very much in favour of the project going ahead," Kearton tells me. "But I also think that the objectors should be properly represented and should be able to put their case fully."

Several members of the CEGB had felt after the Windscale inquiry that "all the guns had been on the establishment side and the opposition wasn't adequately funded," he says.

The CEGB had itself considered whether it might make some funds available to its opponents but had been prevented from doing so by its charter.

The Sizewell inquiry, it is reckoned, will cost the CEGB up to £10m. Much of that would have had to be spent anyway in convincing the chief nuclear inspector of the project's safety. "But it would be a pity," says Kearton, "if the objectors were not thought to be getting a fair crack of the whip."

He has sent a donation to the appeal — launched by Suffolk county councillor Edward Irving and lawyer Paul Sieghart—and has agreed to act as a trustee of the fund.

With more than 4,000 individuals and organisations registering their objections, the allocation of whatever funds are raised could be a tricky task.

No secret

Conservative trade unionists' president Tim Renton, MP for Mid-Sussex, was a bit too candid for the comfort of some of his audience at yesterday's conference on what he wanted from the Government's Green Paper on union democracy.

Talking about secret ballots for union leaders, Renton said he was not interested in a ballot for the leadership of the miners between Arthur Scargill and Mick McGahey.

"There is no settling the precedency between a louse and a flea," said Renton, quoting Dr Johnson. "What we are interested in are ballots between two or *three moderates*"

Strike force

Trade union leaders might be forgiven some concern about imminent attacks from the establishment, given two recent job changes. Within a few days of Michael Quinlan, the former senior Defence Ministry civil servant and nuclear expert, becoming permanent secretary at Norman Tebbit's Employment Department, the Institute of Personnel Management announced at the weekend that it has appointed an Air Vice Marshal—John Miller—to become its new director. He was once chief accountant at Strike Command.

Saving grace

AN OECD conference on a Sunday? Bit unusual, isn't it? my man in Paris asked officials yesterday. "This time," responded one, "we felt the need for prayer."

Observer

Unemployment in Europe

PART TWO OF A SPECIAL FOUR-PART SERIES

Frantic, haphazard efforts to help the young

By Ian Hargreaves

"Aujourd'hui inactif, demain radioactif," says the graffiti in the Paris Metro. As an encapsulation of despair, it is a message which points straight to the reason why, deep down, adult Europe is terrified at the scale of the youth unemployment crisis it shows no sign of being able to resolve.

Of the EEC's 11.2m unemployed, 42 per cent are aged below 25—a proportion which has remained grimly static for the last three years. In the more depressed parts of Britain, Belgium, France and Italy, whole generations approach the school leaving age with no hope of getting a job. Some who have left have been without work for over two years.

"Who can say when we will reach the point when the flames start?" asks M Michel Hansenne, Belgium's Labour Minister. The only comfort for him and for other politicians is the mass of research which shows the effects of unemployment to be corrosive rather than explosive, although several Community countries have suffered sharp increases in crime. Inside the last three years, the percentage of French youths in prison rose by 40 per cent.

It is not that there has been a lack of response to these circumstances. The youth problem, unlike the problem of the older unemployed, excites sympathy. The large sums of money thrown in its path are seldom questioned. Together, Britain, France and Germany are spending close to £8bn a year on policies for their 16 to 18 year olds.

The problem is that although the trends in youth unemployment were predictable, indeed were widely predicted, on the basis of demographic pressures, politicians for the most part chose to pin their hopes on economic revival and so when they did act it was on a haphazard, occasionally panicky, basis.

Through the confusion of schemes, subsidies and make-work programmes, however, three more or less common themes have emerged: training; subsidies to price young people into jobs and as a last, desperate remedy, community work projects.

Conscription, either military or social, has also been debated in several countries where it does not already exist, but has not yet been adopted in any of them.

Undoubtedly the most important of these areas, because it concerns a matter of strategic rather than short-term importance, is training—although many of those involved react angrily to the idea that instant training programmes can be sprinkled from a packet to nourish an otherwise idle generation. Most of the schemes produced in the mid-1970s were certainly of this type. For example, as unemployment has got worse, Britain's Youth Opportunities Programme, which offers six-month courses to school-leavers, has seen two thirds of its graduates return immediately to the dole queue.

In the search for more durable and sustained responses, most attention has been focused upon Germany's apprenticeship policy, the so-called "dual system," which is also found in Switzerland and Austria. Mrs Shirley Williams, the former British Education Secretary and now president of the Social Democratic Party, argued a couple of years ago in a report to the OECD that it was largely because of its excellent vocational training that Germany had attracted so much investment. "A virtuous circle has been established in which the presence of skilled people acts as an engine for growth and the growth in turn demands more skilled people," she said.

The German system does indeed have many strengths, not least its availability. About 85 per cent of school-leavers get a place in the 446 occupations available and the system currently has 1.7m 15 to 18 year olds in training. At the same time, apprentices are paid very low wages, ensuring that youth remains attractive in the market. It is however sometimes forgotten that most German apprentices only work for their employer for three days a week.

Being run entirely by German business (although half the funds come from the state), the system has also succeeded in retaining a strongly practical style and has, following some very public prodding by the Government succeeded in providing enough places to accommodate the demographic bulge. Between 1967 and 1980, the number of apprenticeships in Britain fell from 236,000 to below 150,000; in Germany the number rose from 450,000 to 650,000.

It is thus hardly surprising that twice as many German workers have qualifications as their British counterparts or that only one in ten Germans leave the education system with no qualifications, compared with 40 per cent in Britain and France. It has also, by sheer force of its presence, kept the German youth unemployment figures relatively low (see table).

For all its intrinsic merits, however, fewer people to-day would make the kind of claims made by Mrs Williams. Unemployment among the under-25s in Germany has increased by 45 per cent in the last year. It seems more and more likely that much of the employment effect of the apprenticeship system may have been transitory, aided by other reductions in the German labour force.

"There is no direct link between training and employment, although training is often used as an excuse for inaction on the labour side," says Mr Burkart Sellin, who heads the youth training section of Cedefop, the EEC's vocational training arm.

Critics also point to the rigidity of the German system, to the poor quality of many of the places it offers and to the fact that about half of the apprentices do not pursue careers in their indentured occupation. The "dual system" is also expensive—more than twice as costly as the French equivalent, which relies heavily upon institution-based training, and three times as expensive as Britain's system.

These criticisms, however, have done little to diminish the by now nearly universal European enthusiasm—Sweden is an exception—for what Cedefop, in its evangelism on the subject, calls "alternance training," by which it means a mixture of work experience and clasroom teaching.

In France, a government-commissioned report by Professor Bernard Schwartz has also eloquently backed this principle, although France is attempting to use a more decentralised structure than the Germans. In its current "programme for 100,000 youths," the Mitterrand Government is using the country's town halls as a base to mobilise business and community interests to contract out the training of what is the hardest core of uneducated French young people.

Mr Sellin says he detects signs that as the French move away from their institution-based approach, the Germans are themselves moving more towards re-emphasising classroom and theoretical skills.

Mr Sellin also argues that the German Government will, eventually, have to adopt a more French-style financing mechanism of a general levy on industry so that the costs of training are evenly spread.

Britain's new Youth Training Scheme, a one-year programme for 16-17 year olds also follows the "alternance" principle, although, like the French, the British still have to prove in practice that they can, without the German tradition of tripartism, find sponsors of the right quality in large enough numbers and can make their rival education training and employment administrations work in harmony.

Britain's Manpower Services Commission would like to develop the YTS into a two-year scheme, possibly with a community work component, which would then allow Britain to support the European Commission's push for a two-year "social guarantee" of either work or training for 16 to 18 year olds, possibly with an extra option for a third year of training entitlement to be taken up to the age of 25.

But one problem, as these schemes become longer and more complex is not only their direct cost (£1.2bn a year in the case of YTS), but the fact that they raise the question of how trainees should themselves be supported financially.

In Germany, Denmark and the Netherlands grants are payable even to some schoolchildren — although the Kohl Government has recently hinted this might be scrapped—and in Britain the Labour Party's proposals for training call for a standard educational maintenance grant to end the confusion of differing levels of support payable to different types of student and apprentice.

Another, more fundamental point is whether the emphasis upon specifically youth training is the right one. Arguably, there is just as great a need—which the Swedes seem to be alone in systematically catering for—to intensify the training of mid-career workers in order to move everyone up the skills ladder more rapidly and create room at the bottom for youth. In this light, British Government cutbacks in adult training programmes look very short sighted.

It is, however, unlikely that defective training is itself a significant part of the reason why youth unemployment rates are so high relative to adult rates. The rigidity of job security laws in Europe is probably a bigger factor. According to one vocal school of thought, however, the significance of training is dwarfed by the importance of the price mechanism in the youth labour market.

The evidence as to whether youth has priced itself out of work is mixed, although the fact that in Denmark the under 18s have an unemployment rate one-third the level of 18 to 19 year olds, who are entitled to Denmark's generous adult minimum wage, is evidence to back the common sense truth that if the differential is large enough, there will certainly be a measurable effect.

As the table shows, however, there is no simple correlation between countries with low apprentice pay rates and high youth unemployment ratios, although you could argue that there is some. In Britain, youth pay did rise as a proportion of adult earnings between 1960 and 1975, since when the gap has widened slightly again. But the price mechanism cannot explain why in all countries female youth unemployment rates are so much higher than male rates even though girls are paid less.

The muddy nature of the evidence has not prevented two major attempts to cut the price of youth labour by state intervention, in France under Giscard and more recently in Britain, with the Young Workers Scheme. The French Pacts Nationales d'Emploi operated from 1977 with various direct subsidies to employers who hired youths in the 15-24 age group and at one point 13 per cent of the age group was in subsidised employment.

But research showed that employers were mainly hiring the better qualified youngsters they would have picked up anyway and the scheme has been scrapped. The same problem is plaguing the Young Workers Scheme, but it has proved popular with employers and the Government hopes that by subsidising only employers who agree to hold down youth pay rates, it will have some influence upon pay levels.

The third type of action taken in most countries, of setting up community work schemes, will be dealt with in a subsequent article on job creation. But it is worth mentioning the latest development in several countries of offering unemployed workers, including the young, incentives to create their own businesses, although this runs up against resistance from unions and employers when subsidised work schemes transgress into the competitive arena.

One irony behind all this frantic activity is that the pressures on the youth labour market will just have started to subside when the new British and French schemes are in full working order. The British youth bulge peaks with next year's school-leavers, when over 600,000 youths are expected to leave school without jobs. It will be interesting to see whether, as the numbers stabilise and then decline, the new training schemes continue to attract young people. If the aim is to remove permanently from the workforce the 16 to 18 year old age group, as appears to be the trend, high quality training will obviously be essential.

For the moment, however, Europe's politicians are glad simply not to have to count the bulk of their 16 and 17 year olds in the unemployment figures.

APPRENTICE PATTERNS IN EUROPE

	Unemployed youth as % of total unemployment	% of 16-18 yr olds in training/ education	Apprentice pay as % of average pay*
Germany	23	85	30-45
France	39.6	85	15-45
Denmark	29	68	25-90
Italy	49.9	66	55-90
Netherlands	49.9	90	28-62
UK	38.7	67	40-90

* Start and finish rates.

Sources: Eurostat Cedefop

Letters to the Editor

Assessing the costs of commercial nuclear power

From Dr M. Fitzgerald

Sir,—It is becoming increasingly apparent that the Government and the Central Electricity Generating Board are falling into the trap of equating opposition to the extension of commercial nuclear power in this country with Left-wing views in general and political opposition to the Conservative Government in particular. It is important that this naive conflation of opinions totally unrelated be nipped in the bud. There are in my view several excellent economic grounds for opposing the extension of commercial nuclear power in this country, or indeed in any country, independent of any particular political viewpoint.

None of the evidence published to date suggests that a rigorous cost-benefit study of nuclear power generation has been carried out.

Does the cost of power generation from nuclear power stations take fully into account the potential cost of storage and disposal of nuclear waste products over their natural radioactive life, including the research and development costs involved in developing methods of disposal? If so, what discount rate is being used, how is it determined, and what risk factors are included?

Does the cost of power generation fully take into account the potential costs of decommissioning and dismantling costs of nuclear power stations after their useful life is over? If so, how have the estimates been arrived at and what discount rate is used? What has been the experience, if any, with dismantling existing nuclear piles worldwide?

How has the CEGB factored the potential cost of nuclear accidents into its cost-benefit analyses and what probability distribution of nuclear accidents is it working with?

What are the authorities' assumptions about the relative costs of alternative sources of energy over the next 20 to 30 years. Have they taken recent trends in the world energy market into account in determining their conclusions on the merits of nuclear power generation?

Intuition tells me that once an assessment of the present value of the cost of almost permanent, by which one means hundreds of years, nuclear waste storage with its attendant risks, and of dismantling highly radioactive central reactor buildings, is taken into account, it would be most surprising if nuclear power were really competitive with sources such as coal, oil and renewable energy.

It seems to me disgraceful that a government, which so strongly supports free markets, whose efficient operation I was always taught is crucially dependent on the quantity and quality of information available to traders, confines its effective financial support in the Sizewell inquiry to the CEGB. At the same time it refuses support to organisations whose alternative interpretation of the data should at least be available to the inquiry and the public. If the Government really believes the people should have the best information possible to make a considered judgment, then it should immediately change its mind about not funding groups interested in presenting additional evidence to this most important inquiry.

Indeed, the Government should consider whether a refusal to allow a serious investigation of the commercial usage of nuclear power may not prove an additional spur to the development of protest against nuclear weapons. If the Government prevents the people from exploring the entire ramifications of the decision to expand massively nuclear power generation facilities, why should the people trust its arguments for the deployment of Cruise and Trident missiles?

(Dr) M. Desmond Fitzgerald.
City University Business School,
Frobisher Crescent,
Barbican, EC2.

Commercial oblivion for London?

From Mr R. Read

Sir,—John Heddle MP's letter (January 4) regarding the current trend in London's office market and the likely knock-on effects is timely but surely he understates the situation.

London as a whole has been contracting for approaching three decades now. The capital of the 1950s was a thriving metropolis of over 8m motivated and predominently skilled people. Today the population nears 6m, many old, unskilled, or of migrant stock, lacking the talents necessary to support the ever-growing rate need. The inner boroughs have long had problems with their residential stock, thousands of flats are unlettable and have been boarded up. In the past decade trade in Oxford, Bond and Regent Streets—with obvious exceptions—has grown poorer with rent and turnover falling in real terms.

In the City the forest of 'To let' boards on over 4m sq ft of offices grows daily; West End theatres are having a thin time, some stand empty, perhaps never to open again. In the Greater London Council area over 30m sq ft of industrial space stands vacant and—apart from Heathrow's golden triangle—modern space may be purchased for far less than it costs to build. As a result many planned schemes are quietly being shelved; it will be interesting to see how many of those recently approved by Mr Heseltine proceed.

Perhaps the biggest single indicator of the capital's waning fortunes is that house prices have ceased to keep up with the national index; the margins once existing between London and the provinces are narrowing.

Apart from advancing technology, what has brought this about? A surfeit of planning, and politics perhaps? New town, expanding town, location of office, regional development polices? Office development permits, industrial development certificates, municipalisation, all share the blame in encouraging commerce, population and development to go elsewhere. The trend is set in a circle of high rates, rent and travel costs forcing people and businesses out; the latest British Rail fare increases will only reinforce the pattern.

What then can be done to stop London as a whole following docklands—now in its fourth attempt at revival—into commercial oblivion? There are viable market-led solutions which applied on a bi-partisan basis, with an eye for the palatability of the cure—rather than abhorrence of the treatment—could turn the capital once again into a vibrant, multi-class, multi-racial society of benefit to its inhabitants and the nation as a whole. The alternative is a sick city, a drain on even the most impoverished region of the nation it heads.

Ron Read.
Nought,
Brook Way,
Chigwell, Essex.

Non-productivity deals

From the Chairman,
Jackson Taylor International Associates.

Sir,—Is it not a futile exercise to negotiate productivity deals with employees to improve performance and profitability, when the achieved bottom line results can be wiped out overnight by an increase in base rate or VAT? Can Government really implement fiscal policy or does it merely ebb and flow like tides in troubled waters?

J. Taylor.
27/28 Blackwellgate,
Darlington.

Local authority spending

From the Chairman,
Confederation of British Industry Working Party on Local Government Finance and Expenditure

Sir,—In his response (December 17) to my letter on next year's rate support grant and rate levels, Mr Wardman conveniently ignores several points.

Under 20 per cent of local government's net income comes from a sector which has the opportunity to influence directly how it is spent—the domestic ratepayer. The remainder is contributed by the non-domestic ratepayer, and by the personal and business community as a whole, through national taxes which fund Exchequer grant. It is entirely appropriate that central Government, acting in the interests of these major contributors, should seek to limit local government spending.

Nor is Mr Wardman's criticism of the mechanism government uses entirely valid. The grant settlement, by using annually updated indicators of need in calculating grant related expenditure does take account of changing circumstances (even if the information is not always as up to date as we would all like). Certainly the grant distribution which results is not constant over time; nor should it be, given that the distribution of problems is not static either.

Mr Wardman complains that targets are set relative to the local authorities' previous year's spending. This is only partially true, but no doubt if central government based the targets entirely on its own assessment of what authorities should spend, he would be the first to criticise it presuming to know what are local needs. It seems in Mr Wardman's eyes, central government is always wrong.

My working party would certainly not claim complete knowledge of local government, but our understanding of the subject I would suggest is clearly greater than is Mr Wardman's of business. CBI members are already subject to the most stringent discipline there is—competition in the market place. If they fail to operate efficiently, they simply lose their customers. Local government, by its very nature, lacks this external discipline.

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WEST GERMANS TO SEEK CLARIFICATION OF ANDROPOV OFFERS

Gromyko arrives for Bonn talks

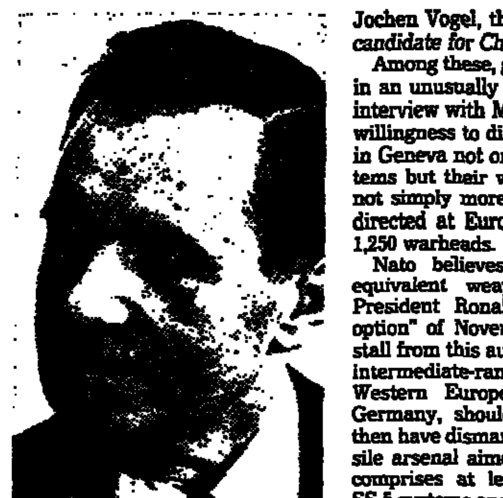
BY JAMES BUCHAN IN BONN

MR ANDREI GROMYKO, the Soviet Foreign Minister, arrived in Bonn yesterday and walked straight into a tumultuous West German election campaign already dominated by East-West arms issues.

Mr Gromyko, 73 years old and travelling to the West for the first time since Mr Yuri Andropov took over as Communist Party general secretary, will hold talks with Herr Hans Dietrich Genscher, the Foreign Minister, Chancellor Helmut Kohl and other political leaders before leaving on Wednesday.

He will also, unusually, hold a press conference as if to underline Moscow's already overt interest in West German public opinion in this crucial year for U.S.-Soviet talks on intermediate-range missiles.

Bonn's conservative-liberal coalition Government says that relations "do not stand or fall by rockets alone." However, the Bonn Government will be seeking first clarification of Mr Andropov's offer on December 21 to reduce Soviet intermediate-range missiles in the European theatre to 162, and of possible concessions, brought back from Moscow last week by Herr Hans-Jochen Vogel, the Social Democrat *candidate for Chancellor.*



Mr Andrei Gromyko

Among these, given to Herr Vogel in an unusually generous two-hour interview with Mr Andropov, was a willingness to discuss with the U.S. in Geneva not only the missile systems but their warheads – that is, not simply more than 600 systems directed at Europe but more than 1,250 warheads.

Nato believes it has no such equivalent weapons and, under President Ronald Reagan's "zero option" of November 1981, will install from this autumn 572 new U.S. intermediate-range missiles in Western Europe, including West Germany, should Moscow not by then have dismantled its entire missile arsenal aimed at Europe. This comprises at least 270 SS-4 and SS-5 systems and at least 333 triple-warheaded SS-20s.

The Bonn Government has made clear that it wants to put across a Western, not simply a German, point of view. It says it is more interested in the dismantling of the Soviet forces than in avoiding the stationing of the U.S. missiles in Germany.

Dr Kohl and, notably, Herr Manfred Wörner, his Defence Minister, feel that any public debate of a solution short of the "zero solution" (*such as has been mentioned by* Herr Genscher) can only relieve the pressure on Moscow in Geneva.

Herr Vogel is dubious that a "zero solution" can be achieved by the autumn. "The fact is," he told Der Spiegel yesterday, "that Kohl wants a mandate for deployment. I am fighting for a mandate so that we in the Federal Republic can do all we can to avoid deployment."

Moscow has left no doubt which side it supports. Pravda on Friday harshly attacked Dr Kohl, warning of dire consequences for West Germany should the U.S. missiles be deployed. Herr Vogel brought a *similar impression* back from Moscow.

The Soviet campaign risks backfiring, however, if it overshadows Mr Gromyko's talks with Dr Kohl or in any way tars Herr Vogel with a pro-Soviet brush.

Moscow and U.S. 'vetoed Geneva N-deal'

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

U.S. and Soviet negotiators in Geneva worked out an informal agreement to limit intermediate range nuclear missiles in Europe last July, but the deal was rejected by both Washington and Moscow, senior Administration officials were reported as saying at the weekend.

The claim, published in the New York Times, is potentially embarrassing for the Administration at a time when pressure is growing in Western Europe for early progress in the negotiations but President Ronald Reagan is sticking firmly to his original so-called "zero option" proposal.

Under the "zero option" – a plan that is most unlikely ever to be accepted by Moscow – both sides would renounce the deployment of all intermediate range missiles in the European theatre.

The compromise proposal was purportedly agreed by Mr Paul Nitze, the chief U.S. negotiator on intermediate range nuclear forces (INF) and Mr Yuli Kvitsinsky, his Soviet counterpart, during private contacts outside the main negotiating framework.

The *two men* apparently agreed to try to persuade their governments to accept major Soviet reductions in its 600-strong missile force in exchange for only a limited deployment of the planned 572 new U.S. Cruise and Pershing missiles due to start at the end of this year. It thus fell short of Mr Reagan's "zero option."

When news of the private talks reached Washington, Mr Eugene Rostow, the chief of U.S. arms control policy, was rebuked by Mr William Clark, Mr Reagan's national security adviser, for allowing Mr Nitze to go beyond his brief. Officials said that the tentative agreement was "very faulty."

The Soviet Union, however, subsequently rejected the plan before Washington was obliged to do so, in turn accusing Mr Kvitsinsky of going beyond his instructions.

Officials said that the incident may have played a part in Mr Reagan's decision to sack Mr Rostow and shake up the U.S. Arms Control and disarmament agency last week. Mr Rostow was also reportedly admonished last year for attending a private lunch meeting in Vienna with Mr Valerian Mikhailov, the chief Soviet negotiator at the conventional force reduction talks (MBFR), at which *Mr Mikhailov* reportedly produced new "private" Soviet proposals.

Considerable speculation remains over Mr Nitze's future, although last week Mr Reagan said that he still had confidence in him. He is expected to return to Geneva when the INF negotiations resume later this month with firm instructions to stick to the "zero option" position.

UK to buy U.S. credit check plan

By Elaine Williams in London

AN ELECTRONIC system designed to combat cheque and credit card fraud will be announced this week by British Telecom. The service, to be called BT Silver, is based on equipment bought from Comdial Corporation, a U.S. manufacturer, whose British subsidiary is expected to invest £3m ($4.7m) in UK manufacturing facilities.

It is hoped the system will cut the losses incurred by banks and credit card companies in the UK on purchases under £50 which are not normally checked by retailers.

Retailers will use a push-button check telephone to transmit the card number and value of the sale *to the credit card computer*, which can reply. When not in use for credit verification, the telephone can be used normally.

Comdial Communications Systems, the UK subsidiary of U.S. Comdial Corporation, hopes to create up to 150 jobs in the UK and will be operating by the summer.

It will supply the UK and European markets, producing standard telephones as well as the card verification device. British Telecom has already placed an order worth U.S.$2.5m for its standard handsets.

Comdial, which has annual sales of $156m, was set up in 1977 by Mr Don Hoff, an entrepreneur who has founded several successful high-technology companies.

It has made a series of major acquisitions most recently the purchase of the telephone handset manufacturing activities of General Dynamics last August.

Mr John Evans, Comdial's UK managing director, said that the potential market for BT Silver in the UK was at least 900,000 users. British Telecom has ordered 5,000 units

The system is expected to go on trial this summer with an initial batch of 500 telephones in the London area.

Anderson accuses Charter of 'restricting' its U.S. bid moves

BY CHRIS CAMERON-JONES IN LONDON

ANDERSON Strathclyde, the Scottish mining equipment company, has raised its tender offer for control of National Mine Service Company, a U.S. maker of mining plant, by $1.2m to counter an increased rival bid from Longyear, another U.S. group.

At the same time Anderson has accused its own unwelcome suitor, Charter Consolidated, of restricting its room for manœuvre in the deal.

Anderson says Charter has chosen to ignore assurances that the company does not intend to be locked into a minority holding in National Mine.

Mr. J. M. Little, Anderson deputy chairman and chief executive, said yesterday that Charter was seeking an amendement to the resolution to be put to shareholders that would prevent the company securing effective control of National Mine at around 40 per cent if shareholdings were wide spread, and later mopping up the rest.

Anderson is now offering $13 a share totalling $32m, for up to 50.5 per cent, of National Mine.

This tops its own previous offer and the increased offer from Longyear by 50 cents a share. Longyear has also raised its sights from a 24.7 per cent to a 36 per cent stake. In addition, Longyear has obtained an agreement with CSX, which holds 23.8 per cent of National Mine, that could effectively block Anderson, if its own offer were successful.

Charter had already said that it believed the U.S. deal held worthwhile *long-term* commercial potential for Anderson. But observers have interpreted the offer as a step timed to ward off Charter by reducing Anderson's dependence on a single product and the UK National Coal Board.

Charter was told last week by the Takeover Panel that it need not announce a new bid for Anderson until the legal position was clarified. The Minister of State for Trade had overruled the majority recommendation of the Monopolies Commission against the takeover, and Anderson had challenged his decision.

European food guide battle hots up

BY ARTHUR SANDLES IN LONDON

MR EGON RONAY, the British gourmet, gives a thumbs down to nouvelle cuisine in his new guide to good restaurants in Europe's business cities. Europe, he says is a continent flooded with kiwi fruit and lukewarm food.

But Mr Ronay says, the tide is beginning to turn. Sweden and Italy are fighting back, even if the Germans still worship French cuisine.

In Spain there are signs of hope and in Britain "in some though not many, restaurants you can eat as well as anywhere in the world." Austrian cooking is going downhill *fast but in Hungary local cooking* survives and thrives.

Mr Ronay's foray into Europe with his TWA guide to Good Restaurants in Europe's business cities, published today, opens the curtains on two weeks which will see the new Michelin Guide to Great Britain, the Good Food Guide, France's indiosyncratic Gault Millau's view of London and a whole string of American Express pocket guides.

Although food guides have been good business for some years, it is the rapid growth of intra European business travel which has more recently caught the eyes of the gastronomes. The Ronay look at 35 European cities is not the first such effort. Michelin had the bright idea last year of gutting its various national guides and producing one slim volume containing the details of 20 cities.

Ronay covers more territory than Michelin, is more chattily informative but less exhaustive.

The American Express Guides to various cities and *areas (the first* crop includes Paris, London and New York) represents the first serious effort to bridge the gap between pocket food guides and overall guide books.

Until now the guidebook end of the market has been dominated by Berlitz, whose pocket editions are rich in advice on what to eat in the world's restaurants, but lacking information on where to eat.

The American Express Guides fill this gap but at £4.95 they are nearly four times the price of the Berlitz guides and far less colourful.

The restaurants themselves will probably look hardest at Michelin when it comes out later this week, presenting or withdrawing its rosettes in its usual lordly way. Long since overtaken in style and presentation *by its new rivals, still* infuriatingly addicted to classic French cuisine, and still elegantly mysterious in its operation, it has yet to be toppled.

Egon Ronay's TWA Guide 1983 to Good Restaurants in Europe's Business Cities, Mitchell Beazley £4.95. American Express Pocket Guides (at the moment editions for eight areas or cities), Mitchell Beazley £4.95. Berlitz Travel Guides (to dozens of cities and countries) Cassell £1.25. Michelin 1983, 22 European Cities, £4.85. Gault Millau, London, Emblem, £8.95. The Good Food Guide 1983, Consumers Association £7.50. Egon Ronay's Lucas Guide 1983, Mitchell Beazley £6.95.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	15	59	Dubrovnik	F	9	48	Malaga	S	17	63	Salzburg	F	5	41
Algiers	C	16	61	Faro	S	17	63	Malta	S	16	61	Seoul	C	7	45
Algarve	S	17	63	Florence	F	5	41	Manila	C	29	85	Singapore	R	30	86
Amsterdam	S	8	46	Frankfurt	R	7	45	Miami	F	21	71	Stockholm	C	-3	27
Athens	F	14	57	Funchal	C	18	64	Milan	S	17	63	Strasbourg	F	9	48
Bahrain	F	18	64	Geneva	R	7	45	Moscow	Sn	-1	30	Sydney	F	24	75
Bangkok	F	32	90	Gibraltar	S	16	61	Munich	Sn	5	41	Taipei	F	21	70
Barcelona	S	5	41	Guernsey	R	9	48	Nairobi	–	—	—	Tangier	F	16	61
Beirut	C	15	59	Helsinki	C	1	34	Naples	S	13	55	Tehran	–	—	—
Belgrade	C	3	37	H. Kong	C	18	64	New Delhi	C	19	66	Tel Aviv	C	17	63
Berlin	C	4	39	Innsbruck	R	5	41	New York	C	2	36	Tenerife	F	20	68
Biarritz	C	12	54	Inverness	C	10	50	Nice	S	16	61	Tokyo	C	8	46
Blackpool	C	8	46	Istanbul	F	6	43	Oporto	F	-5	23	Toronto	Sn	-15	5
Bordeaux	C	11	52	Jersey	C	10	50	Oslo	S	-7	19	Tunis	F	17	63
Brussels	C	9	48	Jo'burg	C	24	75	Paris	C	10	50	Valencia	S	16	61
Budapest	C	5	41	Las Palmas	C	19	66	Prague	R	3	37	Venice	Fg	0	32
B. Aires	C	27	81	Lima	F	28	82	Reykjavik	Sn	-6	21	Vienna	S	5	41
Cairo	C	17	63	Lisbon	S	11	52	Rio de J'o	C	33	91	Warsaw	Sn	0	32
Cape Town	–	—	—	Locarno	C	7	45	Rome	S	13	55	Zurich	C	6	43
Caracas	C	27	81	London	F	12	54								
Casablanca	S	15	59	Los Angeles	C	25	78								
Copenhagen	F	4	39	Luxembourg	S	16	61								
Corfu	S	13	55	Madrid	S	9	48								
Dublin	R	8	46	Majorca	S	17	63								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Thatcher and Falklands

Continued from Page 1

assessment of intelligence in Whitehall, rather than on particular individuals. This structure will be mainly *blamed for* the failure to anticipate the Argentinian invasion.

Opposition leaders will, however, be looking for any points in the report with which to attack Mrs Thatcher, *both during* her expected House of Commons statement tomorrow and in a full debate, probably next week.

In particular, the report is likely *to highlight:*

● The announcement of the withdrawal from the South Atlantic of the survey ship HMS Endurance, against the advice of Lord Carrington.

● The growing signs from December 1981 of a belligerent attitude towards the Falklands of the new regime under General Galtieri.

● The assessment in London of intelligence material from the British Embassy in Buenos Aires and from the captain of HMS Endurance warning of preparations for invasion.

● *The failure, up to the last moment*, to send a clear warning to Argentina about the likely British response to an invasion.

Brussels moves to support £500m UK rebate

By John Wyles in Brussels

THE European Commission should *today* put the finishing touches to a supplement to the *EEC's 1983 budget, designed to* win the European Parliament's approval for a £500m ($790m) rebate to the UK by the end of March.

The Commission is expected to make one *big* concession to the Parliament to avoid a repetition of events in December when a similar supplementary budget was rejected. It is likely to propose that a £88.5m rebate for West Germany – Bonn's price for accepting the reduction in the UK's 1982 payments to Brussels – should be classified as "non-obligatory" spending.

This money is due to be spent on energy projects and the Parliament argued that it was wrong for the Commission and the Council of Ministers to put it in the same "obligatory" category as agricultural spending.

Some of the UK's rebate may be similarly reclassified. The result would be that the Parliament could use the concession as a basis for boosting Community spending in non-agricultural areas.

The Commission is relying on an undertaking offered by the *Parliament's President Pieter* Dankert in December not to exploit the situation in that way. Nevertheless some member states may oppose this concession in the Council of Ministers, which has to approve the supplementary budget before it is sent to the Parliament.

The Commission will start a campaign for parliamentary acceptance even before the *Council* has considered its proposals.

Mr Christopher Tugendhat, the Budget Commissioner, will explain the Commission's thinking at a midweek meeting with the Parliament's budget committee. The verdict of this committee will be very important in determining whether the supplementary budget will be adopted by the Parliament's plenary session in early February.

In a further bid to emphasise that British budget deals are not phoney and do tie expenditure to *genuine EEC policies, Mr* Tugendhat will point to the Commission's decision to allocate £27m in the supplementary budget to energy projects in the poorest member states.

Failure to secure payment of the £500m to London by the end of March, either because the Parliament remains recalcitrant or because France refuses concessions wanted by the Parliament, will almost certainly force Britain to withhold part of her EEC budget payments.

London is becoming increasingly concerned *that* any deadlock on the supplementary budget will prevent new negotiations on cutting back its 1983 budget payments, and those for the next two to three years.

Any such general deadlock would tempt Mrs Margaret Thatcher, the British Prime Minister, into staging a bitter row at the next EEC summit in mid-March, with the risk that the subsequent confrontation might be caught up in British pre-election politics.

Opec in new bid on quotas

Continued from Page 1

together with non-Opec members Oman and Bahrain.

They were joined in the small hours yesterday by chief delegates of Nigeria, Indonesia, Iraq, and – most surprisingly – by Libya, which is no ally of Saudi Arabia, although diplomatic relations were resumed last week.

Libya has set a production target of 1.8m b/d and has apparently been *fulfilling it, compared* with a ceiling 750,000 b/d under Opec's first and largely abortive production sharing programme, adopted in March 1982.

Concern about the possible disintegration of Opec's price structure with potentially disastrous financial consequences for some producers overcame Saudi Arabia's growing exasperation over the decline in its output and exports.

Saudi Arabia and Kuwait are understood to have decided last week that any attempt to solve the price problem should be made within the full Opec forum rather than as an initiative from them and the law-abiding camp.

THE LEX COLUMN

Chrysler moves up a gear

Corporate reorganisations go better with a rocketing share price and Chrysler's stock took off from $3⅝ to $18⅝ last year. Yet, even with Wall Street's vote of confidence to back it, Detroit's number three motor company *has pulled* off a remarkable coup in rising like Lazarus to persuade the banks to take a new deal which could see it through to the next U.S. recession.

Chrysler's bankers exchanged $1.1bn of term debt for preferred shares in February 1981. Now they have swapped these for ordinary shares, leaving them for the moment with a little under a third of the *group's* reconstructed equity. Chrysler emerges with debt of just over $1bn, net of $1bn in cash and marketable securities, resting on $223m of preferred stock and about $870m of shareholders funds, which were nearly $250m in the red in the last accounts.

Chrysler's future, however, is far from assured. It is saddled with $1.2bn of government guaranteed *debt, $400m of it carrying* a 14.9 per cent fixed rate, and refinancing this is the next step. The banks have agreed to take 37m new shares only on the condition that 8.7m of them can be placed for at least $12 each before mid-July.

Wall Street's reception of this placing should indicate Chrysler's chances of getting more cash from the stock market in the near future. The *reclassification of the $1.1bn* preferred stock should produce savings estimated at $200m annually. But dividend prospects are still hedged severely and Chrysler's stock will remain speculative for a long time.

Any return to the public debt markets in the next few years will have to be preceded by new borrowing facilities with the commercial banks. Since most of them *had* to write off their Chrysler exposure in 1980/81, they will be lending new money only after the most nervous scrutiny of this year's results.

Chrysler should turn minimal 1982 profits into a substantial surplus in 1983. It improved its U.S. market position *marginally* last *year and* the *total market is growing* at a fair pace. But Wall Street estimates for 1983 net earnings vary wildly between $200m and $400m, supporting a present market capitalisation on the old balance sheet of more than $1.3bn. The one consensus view is that Chrysler still has a huge task ahead of it just to stay on the road.

Investment trusts

By moving heavily into overseas assets during the past three years, the investment trust sector has positioned itself impeccably for a run on *sterling. Investors looking* for a currency hedge have turned en masse to the trusts since the pound first went wobbly in the autumn. The shift in sentiment has taken the sector index up by 13 per cent since the beginning of November, outperforming the FT-A All Share Index, and breaking through to a record high last Monday.

The market discount to net asset values has narrowed only slightly – from around 26 to 24 per cent over the past six months – so the rise in share prices principally reflects the underlying performance of the *trusts' own* investments. The weakening pound has enhanced the sterling value of overseas assets while the heavy bias towards the recently buoyant U.S. and Japanese stock markets has produced strong gains in local currency terms.

The headlong overseas expansion may have run its course. Since the abolition of exchange controls in October 1979, foreign holdings have jumped from about *30* to over *50* per cent of the average portfolio. On average, however, these investments yield less than UK assets and are less tax efficient.

Yet, even before the current surge, the trust sector was beginning to shed some of its dowdy image. The lifting of exchange controls *stimulated several* of the *big* groups to revamp their overseas operations and market themselves more aggressively. This spilt over to a re-examination of domestic strategy: the rash of takeover bids, unitisations and inter-company cannibalism that has ensued could well pep up the performance of the sector as a whole – and has certainly added a bid premium to some stocks.

Carrian

The fall from grace of Carrian, the former *Wunderkind* of the Hong Kong stock market, is as extravagant as was its earlier rise. Wardley, the co-ordinating merchant bank, has done a remarkable job of unweaving the tangled Carrian tale.

But its findings, revealed last week, will be no solace to Carrian's lenders. The estimated HK$1.14bn deficit on reserves in the balance sheet of Carrian Holdings, the unquoted parent, is reached after such bizarre items as a HK$32m adjustment to stock records for gifts of jewellery distributed prior to September 30, 1982.

The banks will need to exhibit as much goodwill as it appears Carrian has distributed in the past. Lenders to Carrian Investments, the quoted vehicle, are being asked to expect 40 per cent of their principal back by the end of 1984 if – and it is a big if – asset sales go smoothly. CHL lenders are invited to sit tight and see what happens to CIL. *Since the parent company's main* asset is an investment in CIL, they probably have little choice.

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SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
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EUROBONDS

BY ALAN FRIEDMAN

Machismo drives the coupons down

THE occasionally irrational nature of the Eurobond market was exemplified around lunch-time on Friday when new issue managers raised their glasses of Pouilly Fumé to toast $2.5bn of new dollar issues. By the end of the day the week's total would be a record $3bn.

At midday London time, however, five major bond houses were still bidding for a $150m seven-year issue for Texaco. The winner, Credit Suisse First Boston, became the proud "owner" of a Texaco deal bearing a 9¾ per cent coupon at 99¾. The news is likely to have spoiled the lunches of some managers, who thought the coupon too low.

The losers in Friday's Texaco bidding war were Merrill Lynch, Morgan Guaranty, Morgan Stanley and Salomon Brothers.

Some of the losing bids included 10 per cent at par and 10 per cent at a discount. And while it is true that Texaco is a triple-A U.S. corporate name and interest rates are considered likely to continue to fall, the 9¾ per cent coupon on this deal was judged by many to have a grounding in neither sound banking nor market analysis, but rather in sheer competitive machismo.

The race downwards now seems underway. Earlier last week Coca Cola had broken below the 10 per cent coupon level for the first time in more than two years. One senior new issue manager described Friday's atmosphere: "We are all vying with each other for lower coupons. This has nothing to do with risk evaluation or placement potential. It is just a competitive game we are playing."

The competitive game went on until late Friday afternoon when Goldman Sachs, the firm which broke the 10 per cent barrier with its Coca Cola 9⅞ per cent deal, followed up CSFB's Texaco issue with a 9¾ per cent $100m offer for General Electric Credit Corporation. The Goldman Sachs G.E. deal represented a victory over three of the biggest U.S. names in the Euromarket, which had joined together to bid for the business at 10 per cent and 100¼.

On the surface the Eurobond market looks like it is off to a flying start in 1983. The undertone is bullish, the cost of financing bond inventories is attractive (Euroclear's overnight rate is 9½ per cent), U.S. corporations still like to borrow in the Euromarket and new records are being set every other day (Sweden's $1bn jumbo was increased to $1.2bn on Friday).

But upon closer examination the Eurodollar bond market begins to look significantly more fragile. The market is swamped with new paper, some of it representing dubious value to investors. Only a major rally could sweep all the new issues into investor portfolios.

Europe has discounted the next cut in the Federal Reserve Board's discount rate and it is generally agreed that coupons on new Eurodollar bonds are running around 50 basis points cheaper than in the U.S. bond market.

Nowhere is this truer than among partly-paid issues, of which there are many. Here the Japanese securities houses, attracted by full up-front commission on partly-paid bonds, are selling paper to Japanese investors on the assumption the yen will appreciate by the time balance is due next summer, thus making the cost of investing in such bonds cheaper.

But it is not even clear that these Japanese "lock-ups" (where the Japanese lead manager takes as much as half the issue and places it) are fully locked up. Some of the paper is strangely finding its way right back to Europe soon after Japanese "placement."

The other problem with partly-paid issues is that later in the year a large amount of cash will be required to pay for the 75 or 80 per cent balance due from investors who put 20 or 25 per cent down now.

The Eurobond market may digest last week's $3bn with grace and ease, but it seems unlikely. And while the fundamentals have changed since June 1980, and interest rate expectations are different as well, the memory of that month's fateful flood of new paper at increasingly lower coupon rates returned to haunt Eurobond traders on Friday.

The best thing which can happen to the Eurobond market's busy new issue managers is that dollar interest rates carry on declining in a gradual manner. The problem, as one banker commented, is the way the Eurodollar new issue sector has been "running well ahead of itself" in recent months.

Bond houses can take risks on aggressively priced issues as long as interest rates fall sufficiently to help the paper get placed. If bond issues are continually priced in anticipation of a decline in rates which fails to materialise, then "fingers may be burnt," according to this reasoning.

CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS							
Kyowa Hakko §‡	40	1998	15	6¼	100	Yamaichi Secs., UB, Schroder Wagg	6.250
Deutsche Bank ‡	200	1990	7	10½	100	Deutsche Bank, CSFB, Nomura Secs., Morgan Guar., Mgn. Stan.	10.500
Credit Lyonnais †‡	150	1995	12	5¼∅	100	Nomura Secs.	–
Coca Cola ‡	100	1992	9½	9⅞	100	Goldman Sachs, Daiwa Secs.	9.875
Chemical Bank ɸ‡	450	–	–	8	–	CSFB, Chemical Bank	–
World Bank ‡	150	1988	5	10⅜	99¾	Deutsche Bank, CSFB	10.440
World Bank ‡	100	1993	10	10⅞	100	Deutsche Bank, CSFB	10.875
Creditanstalt Bankv. ‡	100	1990	7½	11¼	100	Man. Han.	11.250
Security Pacific ‡	100	1987	4	10⅜	100	S.G. Warburg, CSFB.	10.375
NTT ‡	50	1990	7	10⅛	100	Mgn. Guar.	10.125
Bank of Scotland ‡	50	1990	7	10¾	100	Kleinwort Benson	10.750
GMAC ‡	200	1990	7	10½	99	Mgn. Stan.	10.710
Amoco Australia ‡	50	1990	7	9⅞	99	Mgn. Grenfell	10.081
Avon Products ‡	100	1992	9½	10¼	99½	Mgn. Stan., Nikko Secs.	10.314
IC Industries ‡	75	1990	7	12	100	Orion Royal Bank	12.000
Amro Bank ‡	175	1990	7	10¾	100	Amro, Nikko Secs. Man Han.	10.750
Sears Roebuck ‡	150	1991	8	10½	100	Dean Witter Reynolds Goldman Sachs, Daiwa Secs.	10.500
Eksportfinans ‡	100	1990	7	9⅞	100	Deutsche Bank, Daiwa Secs.	9.875
FFI ‡	75	1988	5	11	100	S.G. Warburg, Nomura Secs.,	11.000
Volvo ‡	100	1988	5½	11	100	Merrill Lynch, Yamaichi Secs.	11.000
Sweden †‡	1,200	1993	10	5¼∅	100	CSFB	–
Texaco ‡	150	1990	7	9¾	99¾	CSFB	9.801
Nordic Inv. Bank ‡	75	1988	5	10¼	100	CSFB, Salomon Bros., Yamaichi Secs	10.250
Gen. Elect. ‡	100	1991	8½	9¾	99½	Goldman Sachs	9.843
CANADIAN DOLLARS							
SEK	50	1988	5	12½	*	Enskilda Secs, Wood Gundy, SBCI	*
NatCan Realty ‡	50	1990	7	12½	100	Merrill Lynch	12.500
D-MARKS							
H.J. Heinz **‡	50	1988	5	6¾	100	Commerzbank	6.750
Jusco ¶	81	1988	5	5¾	100	WestLB	*
World Bank ‡	200	1993	10	7¼	99	Deutsche Bank	7.395
Ireland **‡	75	–	–	–	–	WestLB	–
ITT ‡	200	1993	10	7	100	Deutsche Bank	7.000
CNT	200	1993	10	7½	99½	WestLB	*
SWISS FRANCS							
Best Denki **‡	40	1988	5	5⅞	100	CS	5.875
Nippon Kokan ‡	100	1993	10	5⅝	100	UBS	5.625
AB Volvo ‡	60	1991	8	5⅜	100	CS	5.375
Nippon Yakin **‡	40	1988	5	5¾	100	UBS	5.750
Belgium **‡	100	1988	5	5⅞	100	CS	5.875
EDF **‡	100	1989	6	5½	100	UBS	5.500
EDF **‡	50	1990	7	5⅝	100	UBS	5.625
IADB **‡	150	1990	7	6⅛	100	CS	6.125
Japan Ex-Im Bank	100	1993	10	*	*	SBC	5.125
STERLING							
Sweden ‡	50	2010	27	13½	96.55	S.G. Warburg, Morgan Grenfell	13.998
GUILDERS							
I.A.D.B.	150	1993	10	8	*	ABN, Amro Bank	*
Eurofima **‡	50	1990	7	7¼	100	Amro Bank	7.250
YEN							
Asian Development Bank ‡	20bn	1995	10.32	7.8	100	Daiwa Secs.	7.800
ECUs							
CNT ‡	35	1986	3	12	100⅜	BBL, BNP	11.844
CNT ‡	35	1989	6	12¼	100¼	BBL, BNP	12.189
CNT ‡	30	1992	9	12⅜	100	BBL, BNP	12.375
CNT ‡	25	1995	10½	12½	100	BBL, BNP	12.500

* Not yet priced. ‡ Final terms. ** Placement. † Floating rate note. ∅ Minimum. § Convertible. ¶ With warrants. ɸ Serial zero coupon bond; 1–20 year maturity range in 20 tranches. Note: Yields are calculated on AIBD basis.

INTERNATIONAL CREDITS

BY PETER MONTAGNON

Yugoslavia faces crucial week of debt talks

THIS IS going to be a crucial week for Yugoslavia's troubled international finances.

Today the governor of its Central Bank is to meet in Zurich with about 30 of the country's leading creditor banks. On Wednesday he moves to Berne for more talks with Western governments on a rescue package that could total as much as $1bn.

By the end of the week a solution to the country's $18bn foreign debt problem should be taking shape. It will come none too soon, for bankers complain that arrears on debt service have been growing seriously in recent weeks.

The basic components of this solution are clear. They include:

- further support from the International Monetary Fund with whom Yugoslavia is already working;
- the government rescue package, backed possibly by a $500m bridging loan from the Bank for International Settlements, and
- assistance from commercial bank lenders who have about $10 bn in loans outstanding.

The nature of this assistance remains, however, a wide open question. Yugoslavia has fought long and hard to avoid rescheduling its foreign debt, which many of its bank creditors now regard as inevitable.

Some indeed are speculating on the type of package already launched on the Euromarket by Brazil which would include a forced refinancing of maturing debt, maintenance of short-term credit lines and the provision of new money in relation to banks' existing exposure.

This type of solution might be hard to force through on the grounds that Yugoslavia's problems pose by no means as large a threat to the system as those of the large borrowers in Latin America. It might also be resisted by Yugoslavia on the grounds that it would be construed as a rescheduling that would lump it with the economic failures of Poland and Romania.

It would, nonetheless, overcome one of Yugoslavia's basic objections to rescheduling, which has always been that such a move would cut it off from fresh loans.

Historically this has always been one of the major drawbacks of rescheduling for any borrower country until the introduction of the formula devised by the International Monetary Fund for Mexico. This links rescheduling with the simultaneous provision of fresh money from lending banks on a pro-rata basis.

This formula has been applied to Argentina and Brazil and is expected to be used in the case of Ecuador.

But the new regime of lending under duress has proved to have definite disadvantages for borrowing countries not yet in deep trouble. Banks whose appetite for international business is dwindling are only too willing to say "no" to any loan proposal they are not forced to accept.

As a result, some borrowers with a mere question mark against their credit rating can find it doubly hard to raise a response from the market compared with those which have reached the stage of calling upon the combined support of the world's Central Banks and the IMF (which will be co-hosting today's Yugoslav meeting).

In Latin America this syndrome has been most conspicuous in the case of Venezuela which, as reported, has run into difficulties with its plan to refinance a large part of its $8.7bn short-term debt.

Venezuela's problems were mitigated at the end of last week when it ordered the development agency Corporación Venezolana de Fomento to pay off debt arrears accumulated because of the lack of the necessary budgetary authorisations. But this came only after legal action taken by Nordic Bank to recover its money, and the memory of this is bound to have a lasting impact on the country's rating.

In Western Europe the main talking point of last week was the new $1bn credit for Denmark which was very well received on the basis of much stiffer terms than the country has paid before.

Already, for example, the current $150m loan for Electricidade de Portugal begins to look underpriced. It is paying ½ per cent for four years rising to ⅝ per cent for the next four.

U.S. BONDS

Cautious atmosphere as short-term rates drift downwards

U.S. CREDIT markets appear to have entered into something of a holding pattern, at least at the long end. Short-term rates continue to drift downwards on the back of further expectations of a discount rate cut while in the Government sector prices at the long end were virtually unchanged to slightly lower on the week.

There are a growing number of market analysts willing to shout "fire—the rally is over". But the wider perception remains that while the first stage of the rally may be complete there is still room for some further reductions in short-term rates, and therefore higher bond prices.

The new year has undoubtedly brought a greater degree of caution to the U.S. bond markets. Last week the Government sector marked time while corporate prices, particularly in the intermediate range, showed modest gains.

The universal move to the 11 per cent prime rate on Tuesday had no impact on the credit markets where a further cut in the discount rate from 8.5 per cent, has been all but fully discounted.

Money market rates continued to edge downwards bolstered by a further decline in the Fed funds rate which dropped to a weekly average of below 8.5 per cent for the first time since the discount rate was last lowered on December 13.

The Federal Reserve Board proved particularly accommodating, lending further support to the belief that another cut in the discount rate is imminent. Nevertheless, when it failed to materialise on Friday the long bond lost about half a point to close about one-sixth of a point lower on the week at 98½.

However, despite some indications that the recession in the U.S. may have finally reached the bottom, the plight of the Domestic economy and those of international borrowers remain acute. If the Fed was looking for a further excuse to push down interest rates then the money supply figures released on Friday would provide it.

The market is unlikely to settle down while the budget-making process continues its painful course. With a $200bn-plus deficit forecast this year the announcement that the Treasury will sell $7.25bn of two-year notes on Wednesday to raise $2.6bn in new cash and $7.5bn of one-year bills the following day to raise $2.2bn in new cash serve only as a reminder of the budgets problems.

This cautious atmosphere has been reflected throughout the markets in the first few weeks of the year. Retail buying interest remains firm but there are indications that some institutional investors are shying away from the long end of the market prefering the intermediate and short maturities or the stock market.

This, coupled with a further decline in short-term rates, could result in further sharpening of the government sector yield curve.

In the meantime the corporate sector continues to provide a respectable, if unspectacular, volume of new issues. Since the start of the year some $2bn of new taxable issues have been launched.

Last week saw almost $1bn of new fixed-income securities launched, with most coming off the shelf. Prices moved up by about half a point in a brisk market, particularly in the three- to five-year maturity range.

Financial services companies were particularly active. Merrill Lynch came to the market with a $100m issue of 9¾ per cent three-year notes priced at par while Sears Roebuck tapped the markets both sides of he Atlantic. In the U.S. the company increased an issue of five-year notes priced at par from $150m to $200m to yield 10.25 per cent.

Paul Taylor

U.S. INTEREST RATES

	Week to Jan 14	Week to Jan 6
Fed Funds wkly av.	8.77	8.42
3-month Treas. bill	7.80	7.85
3-month CD	8.30	8.15
30-year Treas. bond	10.44	10.66
AAA Utility	11.75	11.75
AA Industrial	11.75	11.50

Source: Salomon Bros (estimates). In the week to January 5 M1 fell by $300m to $477.8bn and averaged $478.6bn in December up from $475bn in November. M2 increased by $14.1bn in December to $2,001.5bn and M3 by $4.7bn to $2,406bn.

Carrington Viyella in Consoltex board dispute

BY ROBERT GIBBENS IN MONTREAL

THE BITTER dispute for control over the management of Consoltex Canada, the Montreal-based fabrics manufacturer, will shortly be settled by Quebec's Superior Court.

In mid-December Mr Danny Taran, Consoltex's president and chief executive, and three other directors took legal action to prevent a group of five directors, who represent the majority shareholders, from ousting them.

The major shareholders of the company, which has annual sales of well over C$100m ($82m), are Carrington Viyella of the UK (currently embroiled in a controversial merger with the Vantona group) which holds 49.7 per cent of the shares and Toyobo of Japan with nearly 24 per cent. The rest of the stock is held by Mr Taran and the general public.

Mr William Fieldhouse, Carrington's chairman, called a special meeting of Consoltex shareholders on January 10 intending to oust Mr Taran and several directors. The majority shareholders had lost confidence in Mr Taran because of Consoltex's loss of about C$6m in the first nine months of 1982, he said. Mr Taran applied to the courts for an injunction restraining Mr Fieldhouse from going ahead with the meeting, saying it had been improperly called and that insufficient grounds had been shown for their removal.

The hearing was set for January 10. Lawyers for both sides then agreed to a provisional order allowing the meeting to be opened and then adjourned indefinitely until Judge Lou Tannenbaum could rule on whether the meeting had been legally convened.

Mr Taran testified that Mr Fieldhouse wanted Toronto businessman Mr Daniel Owen appointed chairman of Consoltex's board last April, but that because Mr Owen lacked experience in the textile industry a compromise was reached and he became vice-chairman.

However after some disagreements Mr Owen was removed as vice-chairman by the Canadian directors at a December 2 board meeting at which the five directors representing the majority shareholders were not present. However, he remains a director. According to Mr Taran the board was given 48 hours' notice of the December meeting, but declined to attend because they knew they would be outvoted by the Canadian directors.

Counsel for Carrington and Toyobo, in cross examination, said that under the present management, Consoltex did worse than any other Canadian textile company. Mr Taran argued the loss in the first nine months was due to heavy inventory reductions and that the fourth quarter was profitable.

Counsel for the majority shareholders are due to complete their case this week. The hearing could end by Friday and the judge has promised a swift decision.

Surprise choice for ERT's new broom

By Tom Burns in Madrid

CARLOS SOLCHAGA, Spain's Industry Minister, has made the surprise choice of Sr Jose Maria Escondrillas, an engineer who is currently chairman of a Bilbao consultancy firm, to relaunch Spain's largest private industry group, the chemicals conglomerate Union Explosivos Rio Tinto (ERT), which last September told 125 Spanish and foreign creditor banks it was unable to pay the principal on debts totalling $1bn.

Sr Escondrillas, who did not appear on a shortlist of candidates canvassed in recent days by Spanish creditor banks, has to start work immediately on a viability programme for ERT which must be presented before March 31 when a six-month moratorium agreed by the banks expires.

Almost half of ERT's debt is with 83 foreign banks, mostly British, U.S. and Belgian.

Better results for Club Mediterranee

BY DAVID WHITE IN PARIS

CLUB MEDITERRANEE, the French holiday-village operator, showed increases of almost 20 per cent in both turnover and profit for the year to October despite a fractional drop in average occupation rates to just over 71 per cent.

Net earnings on a non-consolidated basis rose to FFr 161m ($24m) from FFr 134m on turnover of FFr 2.8bn. In 1980-81 the consolidated accounts brought the figures up to FFr 142m for profits and FFr 3.2bn for turnover.

The number of days spent by guests in the Club's villages and hotels rose to 7.2m in 1981-82 from just under 7m. Available accommodation was increased for the winter season by over 1,000 beds to just under 23,000. For the summer the expansion was limited to about 650 beds, making a total of some 47,700.

The main shareholders in the Club, which raised its capital through a one-for-five rights issue last spring, are a group of financial institutions, a mutual staff fund, and the Saudi Arabian financier Mr Gaith Pharaon, with 5 per cent.

● Boussac-Saint Freres, the textile group still struggling with large losses after being taken into indirect state ownership last year, registered a deficit of FFr 211m last year, roughly FFr 50m more than the figure forecast only a month ago, David Marsh adds.

The full scale of the loss, of which FFr 100m represented financial charges, was announced by M Rene Mayer, the new chairman brought in by the government last spring, at a works committee meeting.

M Mayer presented two new year working hypotheses for the group, which is the manufacturing subsidiary of the loss-ridden Agache-Willot textile and retail group.

The more favourable is for a rise in turnover to FFr 5.24bn—up 20 per cent from 1982—based largely on a strong increase in the engineering sector, which has profited from a large order from Algeria. On less optimistic forecasts of the year ahead, he said he still expected a turnover rise of 14 per cent.

Exxon to reshuffle top executives

● EXXON, the world's largest energy group, is to reshuffle top executives in three of its main regional headquarters.

Mr Russel Herman, president and chief executive officer of Esso Eastern, based in Houston, Texas, is to become executive vice-president of Esso Europe in London on February 1.

His place will be taken by Mr Terry Kirkley, currently executive vice-president and a member of the management committee of Exxon USA, also based in Houston.

Mr Charles "Chuck" Sitter, currently executive vice-president of Esso Europe, is to replace Mr Kirkley, as executive vice-president of Exxon USA.

Within Exxon all three are considered candidates for future main board appointments. Mr Herman was vice-president for marketing with Exxon Corporation prior to his current appointment. Mr Sitter was formerly the corporation's vice-president for corporate planning, while Mr Kirkley was previously president of Exxon International.

INTERNATIONAL APPOINTMENTS

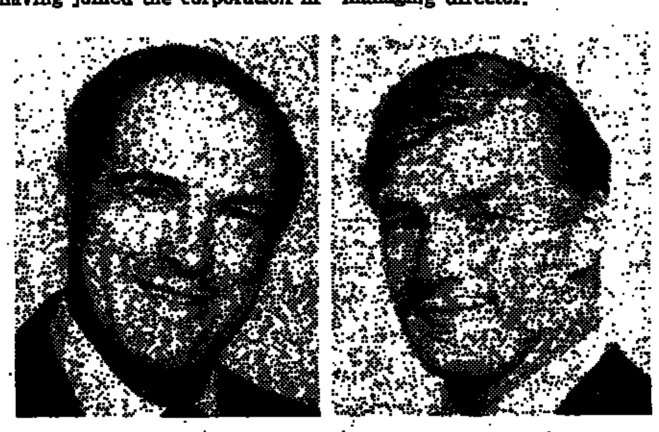
● THE ROYAL BANK OF CANADA has appointed Mr Allan R. Taylor as president and chief operating officer, from June 1, the previously-announced retirement date of Mr Jock K. Finlayson, president. Mr Taylor will report directly to Mr Rowland C. Frazee, the bank's chairman and chief executive officer. Mr Taylor has been executive vice-president, international.

Mr A R Taylor, president designate of the Royal Bank of Canada

On the same date Mr A. H. Michell becomes senior executive vice-president, financial control and administration, Mr M. J. Regan senior executive vice-president, domestic banking; and Mr R. G. P. Styles senior executive vice-president, international and corporate banking. They were respectively, executive vice-president, Canada; executive vice-president, national accounts; and executive vice-president, world trade and merchant banking. Mr Michell, Mr Regan and Mr Styles will report to Mr Taylor.

During the period leading up to June, Mr Taylor as president and chief operating officer designate, will work closely with Mr Frazee and Mr Finlayson, and with the three newly-designated senior executive vice-presidents, to refine adjustments to the corporate organisation which will also take effect on June 1. Mr Taylor will be based in Toronto, sharing his time between that location and the bank's corporate headquarters in Montreal.

● Mr John Arrol has been appointed chairman and chief financial officer and Mr Christopher M. Power becomes president and chief operating officer of SYSTRON DONNER CORPORATION, Concord, California. The company is a division of Thorn EMI Technology, Ashford, Kent. Mr Arrol has been executive vice-president of Systron Donner since May 1982, having joined the corporation in February 1980 as vice-president finance and administration. He was previously chief financial officer and a director of Gardner-Denver Corporation. Mr Power transfers to Systron Donner from Thorn EMI Instruments, Dover, Kent, where he has been managing director for the past three years. He joined Thorn EMI from Cambridge Medical Instruments where he was managing director.



Mr John Arrol (left), chairman and chief financial officer, and Mr Christopher Power, president and chief operating officer of Systron Donner Corporation

● Mr Simon Uhlmann will succeed Dr Edgar Schmid as management chairman of SCHINDLER, Switzerland, on April 1. Dr Schmid will become vice-chairman of the board. Mr Rene Dreier will be promoted to manager in succession to Mr Uhlmann.

● Mr Georges Testard has been appointed chairman and Mr Jacques Andre Reymond secretary of GILL & DUFFUS, Geneva.

● Dr J. Brouwer and Dr B. M. J. Wagemakers are to join the board of BUEHRMANN-TETTERODE, Amsterdam, from January 1. Dr Brouwer will be responsible for financial and economic matters and Dr Wagemakers for social and general affairs.

● Mr Wilfrid Newton, group managing director of Turner and Newall will be leaving Turner and Newall at the end of March having accepted appointment as chairman of the MASS TRANSIT RAILWAY CORPORATION of Hong Kong from May 1. Mr Newton joined Turner and Newall as finance director in 1968. He was appointed a managing director in 1974 and sole managing director in 1979

● Mr William C. Weitzel, Jr, has been elected a vice-president of TEXACO INC. Mr Weitzel, who is also general counsel of Texaco, will remain based in the executive offices in Harrison New York.

FT INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 86/97	150	110¾	111⅛	0	+0⅛	10.80
Amex O/S Fin. 14¼ 89	75	108⅞	109⅜	+0¼	+1¼	12.05
Amro Bank 13 89	200	106	106½	−0⅛	+0¼	11.60
BHP Finance 14¾ 89	150	108¼	108¾	−0⅛	+0⅛	12.67
Bk. Montreal 14½ 87	100	†107½	108	−0¾	+0½	12.06
British Col. Hyd. 14¾ 89	200	111½	112	−0⅛	+1⅛	11.96
British Col. Hyd. 15¼ 92	150	116¼	116¾	0	+1½	12.18
Canada 14⅜ 87	750	111	111½	−0½	0	10.97
Canadair 12½ 89	175	105½	106	−0⅛	+0⅞	11.23
Canadian Wheat 11¾ 90	50	99¼	99¾	0	+0⅛	11.34
Can. Pac. Sec. 14¾ 92	75	109	109½	+0⅞	+1¼	12.83
Can. Pac. Sec. 15 89	75	107	107½	−0⅛	+0⅞	13.23
Citicorp O/S 15 84/92	100	105⅜	105⅞	−0⅛	0	9.89
Coca Cola Int. 11¾ 89	100	106⅞	107⅜	0	+0⅜	10.21
Credit Suisse 10½ 89	100	101½	102	−0⅛	+0⅛	10.13
Deutsche Bk. F. 14¼ 89	300	110⅛	110⅝	−0⅛	+1¼	11.85
Du Pont 11¼ 95	150	100⅞	101⅜	−0⅛	−0⅛	11.08
Du Pont 14¼ 89 WW	200	107⅞	108⅜	−0⅛	+0⅞	12.27
EDC 10¾ 88	100	99¼	99¾	0	+0½	10.92
EDF 12¾ 87	150	103⅜	103⅞	0	+0⅛	11.69
EEC 11½ 95	200	98⅜	98⅝	0	+0¼	11.76
EIB 15½ 92	100	112⅝	113⅛	0	+1½	13.02
Eksportfinans 14½ 89	50	107⅞	108⅜	0	+1⅛	12.57
Exp. Dev. Cpn. 11⅜ 87	100	102⅞	103¼	0	+0⅛	10.89
Forsmarks 13¾ 92	75	104¼	104¾	0	+0⅛	12.88
Gaz de France 12¾ 93	175	20⅞	21⅛	0	+1⅛	12.03
Gen. Elec. Credit 12 89	100	107	107½	0	+0⅛	10.42
Getty Oil Int. 14 89	125	109½	110	0	+0⅞	11.69
GMAC O/S Fin. 15 87	100	109⅜	109⅞	0	+1	11.97
GMAC O/S Fin. 15 89	125	110⅜	110⅞	+0⅛	+1⅛	12.43
Gulf Oil Fin. 12¾ 87	100	105⅝	106⅛	0	+0⅛	10.57
IBM Wld. Trade 12¾ 92	200	109¾	110¼	+0⅛	+1⅛	10.54
Lloyds Euro 11½ 94	100	21½	22	+0⅛	+0¼	12.02
Manitoba Prov. 11¾ 89	125	105⅛	105⅝	−0⅛	+1	10.59
Manitoba Prov. 13¾ 89	100	109¾	110¼	+0¼	+2	11.50
Midland Int. F. 11½ 92	150	100⅛	100⅝	+0⅛	+0½	11.42
Nat. West. Fin. 11¾ 92	150	101⅛	101⅝	−0⅛	+0⅛	11.49
New Brunswick 15¼ 87	75	111½	112	+0⅛	+1¼	11.71
Newfoundland 15½ 90	75	112	112½	+0⅛	+1⅛	12.83
Nova Scotia Pr. 15⅜ 89	75	114⅜	114⅞	+0½	+1⅛	11.87
Ontario Hydro 12¾ 92	200	107½	108	0	+1⅛	11.37
Ontario Hydro 14¾ 89	150	113⅛	113⅝	+0⅛	+2⅛	11.57
Ontario Hydro 15 92	150	116⅜	116⅞	+0½	+2⅛	11.95
Prudential O/S 12¾ 87	150	106⅜	106⅞	−0⅛	+0½	10.86
Quebec Hy. 11½ 92 (D)	100	98¾	99¼	+0⅛	+0⅛	11.66
R. J. Reynolds 12¾ 89	100	105⅞	106⅜	−0⅛	+0⅛	11.37
Saskatchewan P. 15 92	150	115⅛	115⅝	+0⅛	+2	12.14
Shell Canada 14½ 92	125	108½	109	0	+0½	12.69
Superior O/S Fin. 14 89	125	107⅞	108⅜	−0⅛	+0⅛	12.06
Swed. Exp. Cr. 14¾ 90	100	108	108½	0	+0⅛	12.90
Swiss Bk. Cpn. 10¼ 90	125	100	100½	−0⅛	+0⅛	10.20
UBS 10⅜ 87	200	104	104½	0	+0¼	9.59
UBS 11 89	150	104⅛	104⅝	0	+0¼	10.07
Walt Disney Pr. 12½ 89	75	105⅞	106⅜	−0⅛	+0⅛	11.11
World Bank 10⅞ 90	200	99	99½	0	+0⅛	11.03
World Bank 11⅛ 88	100	98¾	99¼	−0⅛	+0⅛	11.27
World Bank 13¼ 87	300	107¼	107¾	+0⅛	+1	11.08

Average price changes... On day 0 on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¾ 92	80	101¼	101¾	−0⅛	+0⅛	8.02
Asian D. B. 8¾ 92	150	100½	101	−0⅛	+0⅛	8.13
Asn. D. B. 9¼ 92 (Aug)	150	105⅝	106⅛	0	+0⅛	8.30
Australia 7¾ 92	200	104⅜	104⅞	−0⅛	−0⅛	7.07
Bayer Capital 7⅞ 89	150	101⅛	101⅝	−0⅛	−0⅛	7.36
Beecham Fin. 8⅛ 92	125	102½	103¼	−0⅛	+0⅛	7.69
Black and Decker 9¾ 89	100	105⅜	105⅞	0	−0⅛	7.98
Caisse Nat. Tele. 9½ 92	100	105⅝	106⅛	0	−0⅛	8.54
ECSC 8 94	200	102⅛	102⅝	−0⅛	−0⅛	7.68
EEC 8 94	200	102	102½	−0⅛	−0⅛	7.70
EIB 8¼ 92	200	103	103½	−0¼	−0⅛	7.75
GKN 8⅜ 89	100	99	99½	0	+0⅛	8.49
Gould Int. Fin. 8⅞ 89	75	102½	103⅛	0	+0⅛	7.71
Ireland 8⅞ 91	150	99½	100	−0⅛	+1⅛	8.82
ITT Antilles 9⅜ 92	100	108⅛	108⅞	0	+1½	7.94
Mitsubishi Heavy 7¾ 87	150	100⅝	101⅛	−0⅛	−0⅛	7.40
Norsk Hydro 8½ 92	100	105⅞	106⅜	−0⅛	−0⅛	7.54
Norsk Hydro 9 92	100	106¾	107¼	+0⅛	+0⅛	7.90
OKB 8⅞ 89	100	105⅛	105⅞	0	+0⅛	7.77
Philips Lamps 8½ 92	100	106⅞	107⅜	+0⅛	−0½	7.47
Sweden Kingdom 8¼ 89	150	102⅞	103⅜	+0⅛	0	7.67
Tenneco Int. 9 92	100	105½	106¼	+0⅛	+0⅛	8.07
World Bank 8⅛ 92	200	103⅛	103⅝	−0⅛	0	7.74
World Bank 9 92	200	106½	107¼	−0⅛	+0⅛	7.94

Average price changes... On day −0⅛ on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
BFCE 6¼ 92	100	103	103¼	+0⅛	0	5.82
Bowater Int. Fin. 6 92	100	102⅞	103½	+0½	−0⅞	5.55
Chugoku E. Pow. 6⅛ 91	100	102½	102⅞	+0⅛	+0⅜	5.77
City of Oslo 6⅛ 92	100	105½	106	−0¼	−0⅛	5.47
EEC 6¼ 92	100	103¾	104	−0⅛	−1	5.72
EIB 6¼ 92	100	103½	104	0	−0⅛	5.73
Europerat 6⅞ 92	100	103¾	104	+0¼	−0⅛	6.21
First Interstate 6 92	100	103½	104	−0½	−0⅛	5.48
Gaz de France 6 93	100	102⅜	102⅞	+0⅛	+0½	5.63
Ind. Bank Japan 6¼ 92	100	104	104¼	+0⅛	+1⅛	5.68
Japan Airlines 6 94	100	104½	104¾	0	−0½	5.45
Japan Dev. Bank 5¾ 92	100	101¼	101½	+0⅛	+0⅛	5.07
Kawasaki Steel 6½ 92	100	103½	103¾	0	0	5.99
KLM Dutch Air 6¾ 92	80	104	104⅛	0	−0⅛	5.69
Kyushu Elec. Pwr. 6 92	100	101¾	102	+0⅛	+0⅛	5.75
Montreal Urban 6½ 92	100	105¾	106	+0⅛	+0⅛	5.70
New Zealand 5¾ 92	100	102½	102¾	+0½	+0½	4.91
Nisshin Steel Co. 6⅛ 92	100	101½	101¾	+0½	+1½	6.15
OKG 6¾ 93	60	100¾	101	+0⅛	+0½	6.63
Philip Morris 5¾ 92	100	104	104¼	+0⅛	+0⅛	4.71
Philips Lamps 5¾ 92	100	104½	104¾	+0⅛	0	5.13
Quebec 5¾ 92	100	103½	103¾	+0½	+0¼	5.27
Sweden Kingdom 5⅞ 92	100	101¼	101½	+0½	+0½	5.69
Tokyo El. Power 6⅞ 92	100	102¾	103	0	0	6.49
Tokyo Metropolis 5¾ 92	100	101	101¼	−0⅛	+0⅛	5.22
World Bank 6⅛ 92	100	104	104½	0	−0⅛	5.68

Average price changes... On day +0⅛ on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	107⅞	108⅜	0	+0⅛	7.43
EIB 8⅛ 92	15	105⅞	106	0	+1⅛	7.39
Japan Airlines 7⅞ 87	9	†102⅛	102⅝	−0⅛	−0⅛	7.14
New Zealand 8⅜ 87	15	105⅞	106⅞	−0⅛	−0⅛	6.80
World Bank 8⅜ 92	20	105⅞	106⅜	−0⅛	−0⅛	7.40

Average price changes... On day −0⅛ on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Br. Col. Tel. 17¼ 88 C$	50	†113½	114	0	0	13.54
Can. Utilities 17 87 C$	35	†113¾	114¼	+2½	+0½	12.71
Gaz de France 15 89 C$	75	†107⅛	107⅝	+1	+1½	13.23
Gaz Metro 17¾ 90 C$	20	†109½	110	+0⅛	+0⅛	14.99
OKB 16¼ 88 C$	63	†112⅛	112⅝	+0½	+1⅛	12.85
Quebec Hyd. 14 92 C$	60	†107⅞	108⅜	+0⅛	0	12.52
Univ. Queb. 16¾ 87 C$	17	†106	106½	+2	+2	14.53
EIB 12⅞ 90 ECU	60	105⅞	106⅜	+0⅛	+0¼	11.57
Amfas 9½ 87 Fl	60	106	106½	0	−0⅛	7.90
Amro Bank 9½ 87 Fl	100	107⅛	107⅝	−0⅛	−1⅛	7.61
Neder. Middbk. 9¼ 87 Fl	100	106½	107	−0⅛	−0½	7.55
Nedlloyd Gp. 10¼ 87 Fl	75	107⅛	108⅛	−0⅛	−1⅛	8.17
Van Lanschot 10¾ 87 Fl	50	108½	109	−0⅛	+1	7.92
World Bank 10 87 Fl	100	108½	109¼	−0½	−0⅛	7.67
OKB 14 86 FFr	400	97⅛	98⅛	0	+0⅛	14.71
Solvay et C. 14¾ 86 FFr	200	97	98	−0⅛	0	15.75
BFCE 14½ 87 £	30	104½	105½	+0⅛	−1⅛	12.89
BNP 13½ 91 £	15	100⅝	101⅛	+0⅛	−1⅛	13.25
CECA 13½ 88 £	20	100⅛	101⅛	+0⅛	−1⅛	13.14
CNT 12½ 88 £	20	97⅞	98⅞	+0⅛	−2⅛	12.84
Fin. for Ind. 12¾ 88 £	20	98¾	100⅛	+0⅛	−1⅞	12.28
F. Mat. Grani. 12¾ 92 £	30	22⅞	23⅞	+0⅛	−0⅛	13.02
Gen. Elec. Co. 12¾ 89 £	50	101⅞	102½	+0⅛	−0⅛	12.00
Hiram Walker 14¾ 86 £	25	104⅞	105⅛	+0⅛	−0⅛	12.14
Mort. Bk. Fin. 11¾ 89 £	15	23⅞	24⅛	+1⅛	−0⅛	13.32
Norsk Hydro. 14½ 87 £	30	104⅛	105⅛	+0⅛	−1⅛	12.82
Quebec 14½ 89 £	30	104⅛	105⅛	+0⅛	−0⅞	13.35
Quebec 15½ 87 £	35	106½	107½	+0⅛	−1⅛	13.18
SDR France 15½ 92 £	30	103⅞	104⅞	+0⅛	−1⅛	14.69
SNCF 11½ 89 £	30	18⅛	19⅛	+0⅛	−2⅛	13.00
Tenneco Int. 14⅜ 87 £	30	103⅞	104⅛	+0⅛	−0⅛	13.52
World Bank 11⅛ 91 £	75	22⅞	24½	+0½	−0⅞	12.65
Eurofima 10½ 87 LuxFr	500	99⅜	100⅜	0	−0⅛	10.44
Europarat 12¾ 92 LuxFr	500	104⅜	105⅜	0	0	11.56

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish 5¾ 92	0¼	98	98½	15/4	10⅞	10.81
Bk. of Tokyo 5¼ 92 (D)	0⅛	99¾	100¼	10/6	9⅞	9.75
Bk. Nova Scotia 5¼ 93	0⅛	99⅜	99⅞	29/4	10½	10.54
BFCE 5¼ 87	0⅛	99¾	99⅞	27/1	14	14.07
Caisse Nat. Tele. 5¼ 90	0¼	99½	100	21/4	10.56	10.59
CCCE 5¼ 2002	0⅛	98⅛	98⅝	11/3	9⅞	10.02
CEPME 5¼ 92	0⅛	99½	100	10/6	9.94	9.96
Chemical NY 5¼ 94	‡0⅛	97⅛	100⅛	23/3	9.84	9.93
Credit Agricole 5¼ 97	0⅛	99⅞	100⅛	24/3	12⅞	12.89
Credit du Nord 5¼ 92	0⅛	99⅞	99⅞	23/6	10⅛	10.19
Credit Lyonnais 5¼ 97	0⅛	99⅞	100⅛	1/4	12.19	12.19
Credit Lyonnais 5¼ 94	0⅛	99⅞	99⅞	5/7	9⅞	9.79
Credit Nat. 5¼ 94	‡0⅛	99¼	99⅞	9/3	12.18	12.24
Kansallis Osake 5½ 92	0⅛	99⅞	100⅛	6/5	10.06	10.06
Lloyds Eurofin 5¼ 93	§0⅛	100	100½	29/4	10.56	10.54
Long Term Cred. 5¼ 92	0⅛	99⅞	100⅛	27/5	10⅛	10.13
J. P. Morgan 5¼ 97	§0⅛	100	100⅛	14/2	10.06	10.04
Nat. West. Fin. 5¼ 91	§0⅛	99⅞	100⅛	15/1	15⅛	15.23
New Zealand 5¼ 87	0⅛	100⅛	100⅛	7/4	12⅜	12.42
NZ Steel Dev. 5¼ 92	0⅛	99⅞	100⅛	22/6	10.19	10.19
Nippon Credit 5¼ 90	0⅛	99⅞	100⅛	10/2	13⅞	13.86
Offshore Mining 5¼ 91	0¼	99⅞	100⅛	2/6	10.44	10.42
PKbanken 5 91	0⅛	100	100⅛	17/6	10	9.98
Scotland Int. 5¼ 92	0⅛	99⅞	100⅛	23/3	13⅛	13.25
Sec. Pacific 5¼ 91	0⅛	99⅞	100⅛	24/5	10.06	10.05
Societe Generale 5¼ 95	0⅛	99⅞	99⅞	1/3	12.81	12.88
Standard Chartd. 5¼ 91	0⅛	100	100⅛	18/5	10.69	10.66
Sweden 5¼ 89	0⅛	99⅞	99⅞	26/2	11.81	11.89
Toronto Domin'n 5¼ 92	0⅛	99⅛	99⅞	11/2	14.31	14.40

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅛ 96	7/81	933	91⅛	93⅛	−1⅛	3.96
Bridgestone Tire 5½ 96	3/82	470	96⅛	97⅛	−1⅛	−3.01
Canon 7 97	7/82	748.2	171½	173⅛	−4⅞	1.41
Chugai Pharm. 7¾ 96	7/82	709.6	160	161⅛	−4⅛	−1.28
Fujitsu Fanuc 4¼ 96	10/81	5814	97	98⅛	+0⅞	19.01
Hitachi Cable 5¼ 96	2/82	515	95⅛	97	−2⅛	−2.45
Hitachi Cred. Cpn. 5 96	7/81	1612	92⅛	94⅛	−2⅛	13.22
Honda Motor 5⅞ 97	3/82	926.6	121	122½	−2⅛	1.15
Kawasaki 5⅛ 96	9/81	229	72⅞	74⅛	−0⅛	22.98
Kumagai Gumi 6⅞ 97	10/82	400	114⅛	115⅛	−2⅛	0.16
Marui 6 96	7/81	946.4	128⅛	129⅛	−0⅛	8.05
Minolta Camera 5 96	10/81	826.4	73	74⅛	−1⅛	35.19
Minorco 9⅞ 97	5/82	8.16	†149⅛	151⅛	−4⅛	−1.77
Murata 5⅛ 96	7/81	1971	89⅛	91⅛	−2⅛	11.08
NKK 6½ 96	7/81	198	90⅛	92	0	20.82
Nippon Electric 5½ 97	2/82	904.2	119⅛	120⅛	−2⅛	4.21
Olympus Optic. 6⅛ 97	12/82	1331	105⅛	106⅛	−1⅛	5.25
Orient Finance 5⅛ 97	3/82	1205	111	112⅛	−2⅛	0.68
Sanyo Electric 5 96	10/81	652	81	82⅛	−2⅛	16.86
Sumitomo Elec. 5½ 97	3/82	577.3	94⅛	96⅛	−0⅛	3.59
Sumitomo Met. 5⅛ 96	10/81	296.1	71⅞	73⅛	−0⅞	27.90
Olym. O. 4½ 92 SwFr	12/82	1331	107⅛	108⅛	+0⅛	21.67
Konishiroku 6⅛ 88 DM	6/82	616	113⅛	114⅛	−0⅛	5.96
Mitsubishi H. 6 89 DM	2/82	263	106⅛	107⅛	+1⅛	11.40
Sum Realty 6⅛ 92 DM	2/83	365	111	112	+1⅛	4.78

EUROBOND TURNOVER

(nominal value in $m)

	Cedel	Euro-clear
U.S. $ bonds		
Last week	5,500.9	11,528.4
Previous week	3,567.9	4,649.6
Other bonds		
Last week	861.3	589.6
Previous week	913.0	459.6

* No information available—previous day's price.

† Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredietbank NV; Credit Commercial de France; Credit Lyonnais; Commerzbank AG; Deutsche Bank AG; Westdeutsche Landesbank Girozentrale; Banque Generale du Luxembourg SA; Banque Internationale Luxembourg; Kredietbank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bank of Tokyo International; Chase Manhattan; Citicorp International Bank; Credit Commercial de France (Securities) London; Daiwa Europe NV; Deltec Securities (UK); EBC; First Chicago; Goldman Sachs International Corporation; Hambros Bank; IBJ International; Kidder Peabody International; Merrill Lynch; Morgan Stanley International; Nomura International; Orion Royal Bank; Robert Fleming and Co.; Samuel Montagu and Co.; Scandinavian Bank; Societe Generale Strauss Turnbull; Sumitomo Finance International; S. G. Warburg and Co.; Wood Gundy.

Closing prices on January 14

Companies and Markets **CURRENCIES, MONEY and CAPITAL MARKETS**

FOREIGN EXCHANGES

Sterling remains fragile

Sterling ended the week on a slightly more confident note after several more days of buffeting on the foreign exchanges.

General concern centred on speculation that Mrs Thatcher's visit to the Falkland Islands was the opening move in an imminent General Election campaign. After a very nervous start to the week the pound slid to its lowest level since November 1978 on Tuesday.

With the trade-weighted index at 80.6, compared with 81.6 on Monday, London interest rates rose steadily, and despite the lack of any obvious encouragement from the Bank of England, Barclays Bank decided the time had come to increase its base rate by 1 per cent to 11 per cent.

Sterling's recovery was somewhat limited, only gaining any strong momentum when it was rumoured on Wednesday that Midland Bank was about to leap frog the other banks by putting its base rate up to 12 per cent. Midland's preference for higher rates was illustrated in November when it raised its base rate ½ per cent above the pack, but this time the rumour was unfounded.

By Thursday morning sterling's level against Continental currencies was little better than when base rates were raised on Tuesday, and money market rates tended to suggest that this key lending rate could yet touch 12 per cent.

Pressure then tended to ease however, although there appeared to be little substance to the recovery, apart from the Government's assurance that there will not be an early election and the Bank of England's reluctance to increase its market dealing rates.

Closing of bear positions ahead of the weekend, and renewed nervousness about the EMS taking some of the attention from the pound, helped to improve sentiment, but the partial recovery still looks very fragile.

FORWARD RATES AGAINST STERLING

	Spot	1 month	3 month	6 month	12 month
Dollar	1.5830	1.5798	1.5743	1.5674	1.5565
D-Mark	3.73	3.7088	3.6788	3.6303	3.5454
French Franc	10.5750	10.6450	10.8450	11.0445	11.2772
Swiss Franc	3.0625	3.0388	3.0000	2.9471	2.8477
Japanese Yen	365.0	363.5	360.7	356.8	350.2

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 14	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	45.0342	+0.14	+1.52	±1.5501
Danish Krone	8.23400	8.07857	−1.89	−0.51	±1.6430
German D-Mark	2.33379	2.29297	−1.75	−0.37	±1.0888
French Franc	6.61387	6.50073	−1.71	−0.33	±1.3940
Dutch Guilder	2.57971	2.52569	−2.06	−0.68	±1.5004
Irish Punt	0.691011	0.691337	+0.05	+1.43	±1.6691
Italian Lira	1350.27	1317.14	−2.45	−1.64	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

BANK OF ENGLAND TREASURY BILL TENDER

	Jan. 14	Jan. 7		Jan. 14	Jan. 7
Bills on offer	£100m	£100m	Top accepted rate of discount	10.7896%	9.9673%
Total of applications	£384m	£296.59m	Average rate of discount	10.7517%	9.9318%
Total allocated	£100m	£100m	Average yield	11.05%	10.18%
Minimum accepted bid	£97.310	£97.515	Amount on offer at next tender	£100m	£100m
Allotment at minimum level	27%	10%			

OTHER CURRENCIES

Jan. 14	£	$		£ Note Rates
Argentina Peso	80,378-80,418	50,860-50,910	Austria	25.95-26.25
Australia Dollar	1.5985-1.6006	1.0110-1.0115	Belgium	77½-78½
Brazil Cruzeiro	410.83-411.83	259.69-260.99	Denmark	13.07-13.20
Finland Markka	8.3200-8.3400	5.2640-5.2660	France	10.51-10.61
Greek Drachma	129.948-135.259	83.25-84.25	Germany	3.70¾-3.74¾
Hong Kong Dollar	10.26¾-10.28¾	6.5050-6.5100	Italy	2115-2160
Iran Rial	131.10*	82.70*	Japan	360-365
Kuwait Dinar (KD)	0.456-0.456	0.2882-0.2884	Netherlands	4.09-4.13
Luxembourg Fr.	73.40-73.50	46.38-46.40	Norway	10.98-11.08
Malaysia Dollar	3.5850-3.5950	2.2710-2.2730	Portugal	150-182
New Zealand Dlr.	2.1580-2.1630	1.3645-1.3665	Spain	190¾-204½
Saudi Arab. Riyal	5.4300-5.4485	3.4395-3.4405	Sweden	11.42-11.52
Singapore Dollar	3.2650-3.2750	2.0680-2.0700	Switzerland	3.04½-3.08½
Sth. African Rand	1.6810-1.6820	1.0620-1.0625	United States	1.57-1.59
U.A.E. Dirham	5.7975-5.8115	3.6720-3.6740	Yugoslavia	127-132

*Selling rates.

CURRENCY MOVEMENTS

Jan. 14	Bank of England Index	Morgan Guaranty Changes%
Sterling	81.6	−38.9
U.S. dollar	117.3	+8.6
Canadian dollar	98.6	−17.2
Austrian schilling	121.4	+29.8
Belgian franc	94.4	−2.0
Danish kroner	84.9	−9.3
Deutsche mark	129.0	+54.9
Swiss franc	154.4	+110.1
Guilder	119.7	+27.7
French franc	74.7	−19.1
Lira	53.7	−58.3
Yen	146.4	+39.9

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Jan. 14	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.699962	0.616315
U.S. $	8½	1.10524	0.970982
Canadian $	9.74	*	1.18751
Austria Sch	4¾	18.2950	16.0795
Belgian F	11½	51.2527	45.0342
Danish Kr	10	9.16907	8.07857
D mark	5	2.60605	2.29297
Guilder	4½	2.87362	2.52569
French F	9½	7.39461	6.50073
Lira	18	1489.71	1317.14
Yen	5½	254.768	224.004
Norwgn Kr	9	7.72342	6.79153
Spanish Pta	—	138.773	121.829
Swedish Kr	10	8.02518	7.05758
Swiss Fr	4½	2.14107	1.88633
Greek Dr'ch	20½	n.a.	81.3688

*C$/SDR rate for Jan 13: 1.34989.

THE POUND SPOT AND FORWARD

Jan 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5750-1.5840	1.5825-1.5835	0.35-0.30c pm	2.46	0.90-0.85 pm	2.21
Canada	1.9260-1.9360	1.9345-1.9355	0.17-0.07c pm	0.74	0.65-0.55 pm	1.24
Nethlnd.	4.08-4.12½	4.10½-4.11½	2¼-1¾c pm	6.20	6½-6 pm	6.08
Belgium	72.75-73.50	73.40-73.50	15-25c dis	−3.27	50-60 dis	−2.99
Denmark	13.08-13.17	13.13½-13.14½	8¾-11ore dis	−9.02	28¼-28½dis	−8.33
Ireland	1.1180-1.1300	1.1215-1.1235	0.36-0.48p dis	−4.49	0.99-1.15dis	−3.81
W. Ger.	3.70-3.74	3.72½-3.73½	2⅛-1⅞pf pm	6.84	5⅛-4⅞ pm	5.49
Portugal	148.00-152.00	149.50-151.50	200-750c dis	−37.87	525-1795dis	−30.83
Spain	197.75-199.50	199.00-199.30	75-170c dis	−7.38	380-470 dis	−8.54
Italy	2129-2145	2141-2143	14-18 lire dis	−8.96	57-62 dis	−11.11
Norway	11.02-11.09	11.07-11.08	1½-2¼ore dis	−2.23	6½-7½ dis	−2.53
France	10.50-10.60	10.57-10.58	5-8c dis	−7.94	26-28 dis	−10.22
Sweden	11.44-11.52	11.50½-11.51½	1-¼ore pm	0.65	1-1½ dis	−0.48
Japan	361-367	364½-365½	1.60-1.40y pm	4.93	4.35-4.15 pm	4.66
Austria	25.95-26.27	26.18-26.23	13-10½gro pm	5.44	37-32 pm	5.27
Switz.	3.04-3.08	3.05½-3.06½	2½-2¼c pm	9.31	6½-6 pm	8.16

Belgian rate is for convertible francs. Financial franc 78.10-78.20. Six-month forward dollar 1.59-1.54c pm. 12-month 2.75-2.55c pm

THE DOLLAR SPOT AND FORWARD

Jan 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5750-1.5840	1.5825-1.5835	0.35-0.30c pm	2.46	0.90-0.85 pm	2.21
Ireland†	1.4035-1.4120	1.4065-1.4085	0.94-0.84c pm	7.61	2.38-2.13 pm	6.42
Canada	1.2210-1.2235	1.2210-1.2220	0.15-0.18c dis	−1.62	0.33-0.36dis	−1.13
Nethlnd.	2.5950-2.6035	2.5950-2.5970	0.90-0.80c pm	3.92	2.60-2.50 pm	3.92
Belgium	46.25-46.45	46.38-46.40	21-24c dis	−5.81	62-66 dis	−5.51
Denmark	8.2940-8.3425	8.3000-8.3100	6.35-6.85ore dis	−9.50	17.25-17.75d	−8.39
W. Ger.	2.3450-2.3690	2.3535-2.3545	0.73-0.68pf pm	3.58	2.08-2.03 pm	3.49
Portugal	94.00-97.00	95.00-97.00	200-500c dis	−43.75	400-1200dis	−33.33
Spain	125.30-125.85	125.70-125.80	80-120c dis	−9.54	270-325 dis	−9.46
Italy	1353-1358½	1353-1354	12-15 lire dis	−11.95	44-47 dis	−13.43
Norway	6.9775-7.0010	6.9980-7.0000	2.45-2.95ore dis	−4.63	8.20-8.70dis	−4.83
France	6.6550-6.7100	6.6775-6.6825	5-5½c dis	−9.65	20½-22 dis	−12.72
Sweden	7.2570-7.2810	7.2675-7.2775	1.00-1.50ore dis	−2.06	5.00-5.50dis	−2.89
Japan	228.90-232.00	230.45-230.55	0.52-0.45y pm	2.52	1.43-1.33 pm	2.39
Austria	16.51-16.59¾	16.58¾-16.59¾	4.40-3.60gro pm	2.89	12.75-10.25pm	2.77
Switz.	1.9225-1.9490	1.9335-1.9345	1.15-1.10c pm	6.98	2.95-2.90 pm	6.05

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.35-49.45.

EXCHANGE CROSS RATES

Jan. 14	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.583	3.730	365.0	10.575	3.063	4.110	2142.	1.936	73.45
U.S. Dollar	0.632	1.	2.356	230.6	6.680	1.935	2.596	1353.	1.222	46.40
Deutschemark	0.268	0.424	1.	97.86	2.835	0.821	1.102	574.3	0.519	19.69
Japanese Yen 1,000	2.740	4.337	10.22	1000.	28.97	8.390	11.26	5868.	5.301	201.2
French Franc 10	0.946	1.497	3.527	345.2	10.	2.896	3.887	2026.	1.830	69.46
Swiss Franc	0.327	0.517	1.218	119.2	3.453	1.	1.342	699.4	0.632	23.98
Dutch Guilder	0.243	0.385	0.908	88.81	2.573	0.745	1.	521.2	0.471	17.87
Italian Lira 1,000	0.467	0.739	1.741	170.4	4.937	1.430	1.919	1000.	0.903	34.29
Canadian Dollar	0.517	0.818	1.928	188.6	5.465	1.583	2.124	1107.	1.	37.96
Belgian Franc 100	1.361	2.155	5.078	496.9	14.40	4.170	5.596	2916.	2.634	100.

FINANCIAL FUTURES

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	91.23	91.24	91.15	91.20
June	90.88	90.88	90.82	90.84
Sept	90.56	90.56	90.49	90.51
Dec	90.28	90.28	90.28	90.28
March	90.04	90.00	90.00	90.00

Volume 724 (1,139)
Previous day's open int. 3,216 (3,065)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	89.52	89.64	89.20	89.02
June	89.64	89.75	89.44	89.18
Sept	89.54	89.57	89.45	89.08

Volume 2,179 (1,668)
Previous day's open int. 2,493 (2,529)

20-YEAR 20% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	100-18	100-30	100-01	99-13
June	100-09	100-18	99-27	99-06

Volume 1,592 (1,425)
Previous day's open int. 1,930 (1,897)
Basis quote (clean cash price of 15½% Treasury 1996 less equivalent price of near futures contract). −12 −4 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.5760	1.5770	1.5705	1.5710
June	1.5685	1.5690	1.5670	1.5615

Volume 186 (540)
Previous day's open int. 714 (708)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.4255	0.4281	0.4252	0.4290
June	0.4292	0.4292	0.4292	0.4327

Volume 59 (216)
Previous day's open int. 316 (391)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.5195	0.5220	0.5192	0.5256
June	0.5267	0.5267	0.5267	0.5327

Volume 27 (111)
Previous day's open int. 265 (261)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4346	0.4367	0.4333	0.4388
June	0.4387	0.4383	0.4383	0.4421

Volume 52 (43)
Previous day's open int. 147 (166)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	76-27	77-12	76-25	76-31
June	76-05	76-22	76-03	76-10
Sept	75-19	76-05	75-19	75-25
Dec	75-04	75-22	75-04	75-11
March	74-24	75-11	74-22	75-00
June	74-15	75-02	74-14	74-24
Sept	74-07	74-27	74-07	74-17
Dec	74-01	74-22	73-30	74-12
March	73-28	74-13	73-28	74-08
June	73-23	74-09	73-23	74-04

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Close	High	Low	Prev
March	92.54	92.60	92.47	92.45
June	92.18	92.26	92.13	92.11
Sept	91.81	91.89	91.78	91.75
Dec	91.47	91.54	91.43	91.38
March	91.19	91.27	91.10	91.08
June	90.91	90.93	90.85	90.83
Dec	90.52	90.52	90.52	90.45

CERT. DEPOSIT (CBT) $1m points of 100%

	Close	High	Low	Prev
Dec	90.50	—	—	90.42
March	91.65	91.70	91.56	91.57
June	91.21	91.30	91.18	91.14
Sept	90.81	90.88	90.80	90.73

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Close	High	Low	Prev
March	90.98	91.05	90.92	90.93
June	90.61	90.68	90.54	90.55
Sept	90.21	90.33	90.18	90.18
Dec	89.95	—	—	89.89

STERLING (IMM) $s per £

	Close	High	Low	Prev
March	1.5745	1.5790	1.5710	1.5745
June	1.5660	1.5705	1.5630	1.5656
Sept	1.5620	—	—	1.5610
Dec	1.5595	1.5650	1.5600	1.5500

GNMA (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
March	72-02	72-14	71-24	71-27
June	71-07	71-19	70-30	71-01
Sept	70-24	71-02	70-17	70-17
Dec	70-11	70-19	70-04	70-02
March	69-29	70-05	69-24	69-21
June	69-19	69-25	69-18	69-11
Sept	69-11	69-16	69-09	69-02
Dec	69-04	69-05	68-31	68-27
March	68-30	—	—	68-21
June	68-25	—	—	68-16

WEEKLY CHANGE IN WORLD INTEREST RATES

	Jan. 14	change		Jan. 14	change
LONDON			**NEW YORK**		
Base rates	11	+1	Prime rates	11	Unch'd
7 day interbank	11-11½	+⅞	Federal funds	8¼-8½	+⅛
3 mth interbank	11⅛-11½	+¾	3 mth Treasury Bills	7.61	−0.20
Treasury Bill Tender	10.7517	+0.8199	6 Mth. Treasury Bills	7.65	−0.17
Band 1 Bills	11	+1	3 Mth. CD	8.20	−0.30
Band 2 Bills	11	+1	**FRANKFURT**		
Band 3 Bills	11	+1	Lombard	6.00	Unch'd
3 Mth. Treasury Bills	10⅞-10 15/16	+1 5/16	One Mth. Interbank	5.825	−0.225
1 Mth. Bank Bills	11 1/32	+1	Three month	5.525	−0.3
3 Mth. Bank Bills	10 15/16	+	**PARIS**		
TOKYO			Intervention Rate	12½	Unch'd
One month Bills	6.96875	−0.1875	1 Mth. Interbank	12⅝	+ 1/16
Three month Bills	6.90625	−0.625	Three month	12½	+
BRUSSELS			**MILAN**		
One month	12¼	−⅛	One month	18¾	+ 1/16
Three month	12¼	−⅛	Three month	19½	+ 1/16
AMSTERDAM			**DUBLIN**		
One month	5⅛	Unch'd	One month	15¾	+⅛
Three month	4 15/16	−⅛	Three month	15⅛	+⅛

London—band 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and band 3 bills to 63 days. Rates quoted represent Bank of England buying or selling rates with the money market. In other centres rates are generally deposit rates in the domestic money market and their respective changes during the week. * Band 4 11.

MONEY MARKETS

A temporary palliative

BY COLIN MILLHAM

The early year tax-paying season can often put strain on the day-to-day workings of the London money market, and this year several problems seem to have come together.

With the public sector borrowing requirement and the money supply under control the Government has not needed to raise funds by large issues of Treasury bills. The weekly tender has been running at a steady £100m bills for about 18 months, whereas at the time of the 1976 sterling crisis the weekly issue was about £600m. The market has become much more dependent on eligible bank bills to provide the required liquidity, and to this end the Bank of England now accepts many more banks as eligible names on bills.

But the market was quite seriously short of liquidity at various times last year, including periods when the discount houses were reluctant to sell high yielding paper outright on the prospect of falling interest rates.

This led to shortages being rolled forward through repurchase agreements, exaggerating the problems when the Bank of England was trying to soothe the market because expectations had changed dramatically, with interest rates moving up as the pound lost ground.

Very large numbers of bills found their way into the Bank of England, where they continue to mature, causing further credit shortages.

Last week the authorities decided that the market did not have enough liquidity to carry it through the tax paying season without putting a severe strain on very short term interest rates. Sterling's present problems have made the Bank of England particularly concerned to keep the short end of the market liquid, and to help achieve this announced an extra £1bn of funds to be made temporarily available through repurchase agreements on gilts and export credits. It will help to relieve the immediate problems, but only a period of currency stability will set rates on a downward path again.

LONDON MONEY RATES

Jan. 14 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ɸ	Eligible Bank Bills ɸ	Fine Trade Bills ɸ
Overnight	—	10 12	—	—	—	10¾-11⅛	10-11	—	—	—
2 days notice	—	—	11-11¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11⅛-11¾	—	—	—	—
7 days notice	—	11-11½	11-11¼	—	—	11¾	10¾-11	—	—	—
One month	11 1/16-11¼	11⅛-11 7/16	11⅛-11½	12⅛-11¾	11⅝	11¾	11	11	11 1/32	11 23/32
Two months	11⅜-11⅛	11¼-11 9/16	11¼-11⅝	12⅛-11¾	11¾	11⅝	10¾-10⅞	11	11	11⅝
Three months	11¼ 11	11⅛-11½	11⅛-11 7/16	12⅛-11¾	11¼	—	10	10⅞-10 15/16	10 15/16	11 9/16
Six months	11-10 15/16	11⅛-11 7/16	11-11⅜	11⅛-10¾	11⅛	—	—	—	10½	11⅛
Nine months	11-10 15/16	11-11 5/16	—	11⅞-11⅛	11⅛	—	—	—	—	—
One year	11-10 15/16	11-11 5/16	11-11⅛	11¾-11⅜	11⅛	—	—	—	—	—
Two years	—	—	11½-11¾	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 8 1982 to January 4 1983 (inclusive): 10.833 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11⅞-12 per cent; four years 12-12¼ per cent; five years 12¼-12½ per cent. ɸBank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10¾-10⅞ per cent; four month trade bills 11⅝ per cent.

Approximate selling rate for one month Treasury bills 10⅞ per cent; two months 10⅞ per cent and three months 10¾-10 13/16 per cent. Approximate selling rate for one month bank bills 10 31/32 per cent; two months 10⅞-10 29/32 per cent and three months 10 13/16-10⅞ per cent; trade bills 11 13/32 per cent; two months 11⅜ per cent and three months 11 5/16 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 10½ per cent from January 1 1983. London and Scottish Clearing Bank Rates for lending 10-10½ per cent. London Deposit Rates for sums at seven days' notice 7-8 per cent.

Treasury Bills: Average tender rates of discount 10.7517 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 11¼ per cent; one-three-month 11¼ per cent; three-12-month 11¼ per cent. Under £100,000 11½ per cent from January 14. Deposits held under Series 3-5 11½ per cent. The rate for all deposits withdrawn for cash 8½ per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 14	Short term	7 days notice	Month	Three Months	Six months	One Year
Sterling	11¼-11½	11¼-11½	11⅜-11½	11 7/16-11 9/16	11⅛ 11¼	11⅛-11⅜
U.S. Dollar	8¾ 9	8¾ 9	8⅝-8⅞	8⅝-8⅞	8¾ 9	9 9¼
Can. Dollar	11½-12½	10½-11½	10¼ 10½	9⅞-10⅛	9¾-10	9⅝ 9⅞
D. Guilder	4⅛-5⅛	5 1/16 5 3/16	5 1/16 5 3/16	4⅞-5	4⅞ 5	5⅛-5⅜
S. Franc	1½-1	1½-1	1⅞ 2	2⅛-2⅜	3 3⅛	3⅛-3⅜
Deutschm'rk	5 1/16 5 3/16	5⅜-5½	5 5/16 5 7/16	5⅛-5⅜	5⅜-5½	5⅝-5¾
Fr'nch Franc	12½ 13½	14½-15½	18½-19½	21-22	20-20¾	18¼-19¼
Italian Lira	16-19	18-20	18¾-20¾	21¾ 22¾	22 23	21½-22½
Belg. Franc Conv.	11¼-12¾	12½-15½	14-15	14-15	13½-14½	12¼-15
Belg. Franc Fin.	11½ 12	12-12¼	12⅛-12¼	12¼-12⅝	12¼-12⅝	12⅛-12⅜
Yen	6¼ 6½	6¼ 6⅜	6 5/16-6 7/16	6⅜-6½	6 5/16-6 7/16	6 5/16-6 7/16
D. Krone	17⅝-18⅛	19-19½	20¼ 20¾	19¾ 20¼	18¼-18¾	17⅞-18⅜
Asia $ (Sing.)	9-9⅛	8 15/16-9 1/16	8¾-8⅞	8¾-8⅞	8⅞-9	9⅛ 9¼

FT LONDON INTERBANK FIXING

(11.00 a.m. JANUARY 14)

3 months U.S. dollars		6 months U.S. dollars	
bid 8 13/16	offer 8 15/16	bid 8 15/16	offer 9 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	8¼-8½
Treasury bills (13-week)	7.61
Treasury bills (26-week)	7.63

GERMANY

Lombard	6.0
Overnight rate	5.50
One month	5.825
Three months	5.575
Six months	5.525

FRANCE

Intervention rate	12.5
Overnight rate	12.625
One month	12.625
Three months	12.50
Six months	12.3125

JAPAN

Discount rate	5.5
Call (unconditional)	6.65625
Bill discount (3-month)	6.90625

SWITZERLAND

Discount rate	4½
Overnight rate	¼-1½
One month	1⅞-2
Three months	2½-2⅝

NETHERLANDS

Discount rate	4½
One month	5-5¼
Three months	4⅞-5
Six months	4⅞-5

$ CERTIFICATES OF DEPOSIT

One month	8.35-8.45
Three months	8.40-8.50
Six months	8.45-8.55
One year	8.70-8.80

LONG TERM EURO $

Two years	10¼-10½
Three years	10¾-11
Four years	11¼-11½
Five years	11½-11¾

SDR LINKED DEPOSITS

One month	9-9¼
Three months	9¼-9½
Six months	9 5/16-9 9/16
One year	9¼-9½

ECU LINKED DEPOSITS

One month	10¾-11¼
Three months	11 5/16-11 13/16
Six months	11 5/16-11 13/16
One year	10¾-11¼

CONTRACTS & TENDERS

CLUBS

COMPANY NOTICES

Sharjah withdraws from Cope Allman takeover

BY CHRISTOPHER CAMERON-JONES

The consortium expected to make a bid for Cope Allman International has retired from the field following the withdrawal of its major Kuwaiti member, Sharjah Group Holding.

The remaining members of the consortium," which is headed by British Car Auction Group, and is understood to include Michael Ashcroft's Hawley Leisure, are considering their position.

Mh Louis Manson, chairman and chief executive of Cope, an engineering, packaging and leisure group, said yesterday that he was a little surprised at the news: "But we have known there has been great difficulty in getting their act together."

It was in October that BCA chairman David Wickins first approached Mr Manson and announced that a bid was likely: "He told me the money was in place and all set up. But we never had the categorical assurances that once would expect"

Last week the Cope board received draft documents from the consortium answering some of its questions, "but with a few qualifications."

Sharjah, a Kuwait-based investment company, acquired a 5 per cent stake in Cope about a year ago. No reason for its withdrawal has been given.

It now appears likely that the remaining members of the consortium will have to find a company of similar substantial financial standing before they can renew their attack.

At no time during the discussion between Cope and the consortium was a formal offer put forward says the Cope board.

"While the directors recognise their duty to consider any serious proposals from a bona fide source, they wish to emphasise that this approach was neither sought nor encouraged. In addition the directors are opposed to any proposal which would result in the wholesale fragmentation of the group," the company states.

Cope recently completed the first phase of its profits recovery that in recent years had reached £11m pre-tax. For the year to July 3 1982 profit was up from £373,000 to £1.95m.

Mr Manson said yesterday: "We feel we have done most of the work to turn the company round. We just need a few more months to show it in the figures and the share price."

He added that the present management could split the group up if that was what was desired, and all the gain could go to the existing shareholders.

Peter Black growth stops

There has been a "short pause" in the profit growth of Peter Black Holdings, and in the half year ended October 31 1982 the pre-tax figure has fallen from £1.8m to £1.73m. Sales of this footwear and luggage manufacturing group rose by over £4m to £24.53m.

The directors explain that the hiccup in profit growth reflects the company's increased investment in personnel, new machinery and buildings.

They state that they have now built a framework that can accommodate the growth in business which they are confident will materialise.

Modest first six months projected by Concentric

The depression being experienced by many Concentric companies in the second half of last year, particularly the severe reduction in demand for engine components which occurred in September, had continued into the group's current year, Mr John Beltinson, the chairman, told the annual meeting.

He said corrective action had ensured that the group continued to trade profitably, but the non-recurring expense would result in only a modest achievement in the current half year to end March.

However, the chairman added that there were now signs that the group could look forward to a recovery in the second six months, as the benefits of recent investment and re-structuring began to emerge and its market share continued to increase.

For the year ended September 30, 1982, pre-tax profits of the group — a maker of controls and assemblies for the domestic, automotive and engineering industries — improved from £1.03m to £1.12m. Sales totalled £40.48m (£37.69m).

RESULTS AND ACCOUNTS IN BRIEF

TOMKINSONS (carpet manufacturer)—Results for year to October 2 1982 and prospects already known. Group fixed assets £2.51m (£2.44m). Net current assets £3.36m (£2.98m). Net liquid funds £0.61m (£0.52m). Shareholders' funds £5.72m (£5.25m). Meeting, Kidderminster, February 8, noon.

M. J. GLEESON GROUP (civil engineer, building contractor and property developer)—Results for year to June 30, 1982 and prospects already known. Group fixed assets £20.97m (£18.08m). Net current assets £1.3m (£0.84m). Bank and cash balances £7.89m (£0.79m). Net assets employed £22.27m (£18.93m). Working capital increased £0.59m (£48,000 decrease). Meeting, North Cheam, Surrey, January 26, noon.

MATTHEW BROWN (brewer) — Results for year to October 2 1982 reported December 7. Group shareholders' funds £55.77m (£48.64m). Fixed assets £50.47m (£48.04m). Current assets £11.32m (£5.86m). Current liabilities £8.62m (£6.78m). Board believes overall progress will continue during the current year. Meeting, Samlesbury, February 3, noon.

BROCKHOUSE (engineering)—Results for year to September 1982 reported November 26. Group fixed assets £24.81m (£26.01m). Current assets £29.24m (£29.12m). Current liabilities £21.34m (£23.07m). Shareholders' funds £24.03m (£27.12m). Working capital increased £13,000 (£2.58m decrease). The consolidation of company budgets for the current year shows that it should make a small profit before tax. Meeting, West Bromwich, February 3, 3 pm.

ASSOCIATED PAPER INDUSTRIES—Results for year ended October 2 1982 with prospects reported December 17. Group tangible fixed assets £8.18m (£7.1m). Net current assets £5.03m (£5.61m). Shareholders' funds £11.62m (£10.13m). Decrease in borrowings £1.16m (£1.08m). Working capital decreased £6,000 (£2.36m increase). Meeting, The Howard Hotel, WC, February 8, 12.30 pm.

DUBILIER (electronic components)—Results for the year to September 30 1982 and prospects reported December 9. Group shareholders' funds £6.89m (£5.63m). Fixed assets £6.16m (£5.51m). Net current assets £2.07m (£1.24m). Chairman says group policy of significant investment in plant, machinery and new products will continue. Meeting: Great Western Royal Hotel, W, February 4, noon.

KENNINGS ESTATES (wholly owned subsidiary of Kenning Motor Group)—Turnover for year to September 30 1982 was £2.42m (£2.25m) and pre-tax profits £1.57m (£1.47m). Trading profits £1.38m (£1.39m), surplus on sale of properties £518,000 (£268,000), amortisation and depreciation £270,000 (£148,000), interest paid £237,000 (£240,000), interest received £195,000 (£204,000). Tax £358,000 (£405,000). Cost of dividends £700,000 (same).

OAKWOOD GROUP (engineer and sanitaryware distributor)—Final dividend 4.5p making 6.5p (same) net for year ended September 30 1982. Turnover £11.66m (£9.92m). Pre-tax profit £568,000 (£598,000). Tax £263,000 (£191,000 credit including £434,000 deferred tax write back), minorities £23,000 (£80,000), extraordinary credit £5,000 (£34,000 debit). Available profits £287,000 (£875,000). Earnings per 25p share 14.1p (35.4p or 16p excluding deferred tax credit).

Warner Holidays drops deep into red

For the year ended October 1 1982, Warner Holidays incurred a loss of £805,000, compared with a profit of £1.98m in the previous eight months to September 25 1981. The company is a subsidiary of Grand Metropolitan.

The directors state the results reflect a lower volume of business in the UK and a positive decision by them to invest in the strengthening of the company's longer term position in the overseas holiday market.

Gross revenue for the year came £11.49m, against £11.74m. After a tax credit £678,000 (charge £966,000) and an extraordinary credit £209,000 (debit £139,000), there is a net profit of £82,000 (£875,000).

Abbey Panels falls to £0.3m at year-end

Taxable profits of Abbey Panels Investments fell from £567,000 to £307,000 in the year to September 30, 1982 on lower turnover of £7.99m compared with £9.3m.

With earnings per 25p being given as falling from 8.32p to 0.66p no dividend is being paid. The directors say this is to conserve the company's cash and because of large tax payments becoming due

The profits of this group, which designs and manufactures major assemblies for space, aerospace, defence and nuclear engineering programmes, were struck after crediting investment income of £19,000 (£30,000) and charging depreciation of £823,000 (£818,000), directors emoluments £117,000 (£254,000), research and development £4,000 (£439,000) and redundancy payments of £105,000 (£132,000).

Tax took £293,000 (£401,000) and last time there was an extraordinary credit of £371,000.

At the half year stage the group had fallen behind with pre-tax profits of £296,558 (£569,566) and turnover of £4.79m (£5.9m).

Ocean Wilsons profit down

Profit before tax of Ocean Wilsons Holdings fell from £1.88m to £1.57m in the six months ended June 30 1982. The company is an investment holding concern with interests in shipping and associated activities.

Turnover rose from £23.92m to £32.41m but trading profit was down from £1.79m to £1.53m. UK investment income and interest totalled £245,000 (£282,000) gross and the exchange loss was higher at £224,000 (£142,000). The Brazilian cruzeiro has been converted at 302.94 to the £ (179.25).

After tax £1.01m (£1.05m), including overseas £886,000 (£952,000), net profit came out at £554,000, against £842,000, for earnings of 2.09p (3.18p).

The interim dividend is held at 0.75p net. For 1981 a total of 2.95p was paid from pre-tax profits of £3.52m.

The results do not include losses incurred by the associate, Acrow Armasil SA, since full provision has been made for the investment against group capital reserves.

MIDLAND/CROCKER

Midland Bank has subscribed U.S.$112.5m for 1.25m common shares in Crocker National Corporation. This investment is in accordance with the investment agreement between the two companies and will increase Midland Bank's equity holding in Crocker from approximately 54 per cent to approximately 57 per cent.

LEX SERVICE

A new company, Hampshire Transtech International has been established to manufacture and supply containerised transportable technical and specialist vehicles for markets in the UK and overseas.

The company has taken over Lex Vehicle Engineering, the specialist vehicle body building arm of the Lex Service Group.

LADBROKE INDEX
based on FT Index
608-613 (+4)
Tel: 01-493 5261

Offer for rest of Braby Leslie

Anglo Nordic, which controls 59 per cent of the mechanical and civil engineering group Braby Leslie, is to return with a cash or share offer to mop up the minority interests in Braby.

With the agreement of the Braby board, Anglo, through its wholly-owned subsidiary Doverford, is offering the same terms as the existing offer from itself, but includes the 72½p cash element which lapsed in December.

The Braby board, which had bitterly contested the original bid, is now advising outstanding shareholders either to accept the latest offer or sell their shares in the market.

But it points out that the current Braby price is 76p and Anglo is trading on the USM around 39½p, therefore the cash offer is unattractive.

The alternatives are either two Anglo ordinary for each Braby share, or 130p of 10 per cent convertible unsecured loan stock 1989 of Anglo, plus one Anglo ordinary for every two Braby ordinary shares. In addition, Doverford offers 70p for each Braby preference share.

The loan stock has not yet traded, but the Braby board considers that it provides "some measure of security," and acceptance of it could partly defer any capital gains tax liability.

Formal offer documents on behalf of Doverford will be posted not later than January 28, the day that the present Anglo offers close. Anglo, which also currently holds 59.27 per cent of Braby preference shares, has given irrevocable undertakings to accept for cash.

Improvement forecast by Hawkins and Tipson

At the annual meeting of Hawkins and Tipson, Mr A. J. Barrett, chairman, gave shareholders a review of the past year's events and commented on recent trading experience, which now only covers rope and leisure products divisions.

He said sales in the first four months were some 5 per cent ahead of last year, and the action taken to reduce loss making areas should lead to a "marked improvement" in the company's performance.

The decision in the autumn to sell Smith Wires for £525,000 effectively closed down the wire division, and ended a major drain on resources which had continued over the last three years. Smith was sold at about 50 per cent of its book value and a total provision of £854,000 had been made in the accounts.

Another problem area was the rope division, where losses were being incurred. To meet the situation, said Mr Barrett, the labour force and office staff were being cut. These steps were being based on withdrawal from certain unrewarding markets while retaining the ability to meet anticipated demands for the division's products at acceptable prices and allowing room for expansion of the specialist ropes, particularly for the offshore oil industry.

With the closure of the wire division and recent property sales producing over £1m cash, Mr Barrett expected the company's gearing to be maintained at 20 per cent.

Cadbury U.S. financing

Cadbury Schweppes has formed a U.S. subsidiary to provide short term financing for its U.S. and worldwide operations. Called Cadbury Schweppes USA, it will issue initially up to $75m of commercial paper.

Cadbury Schweppes' commercial paper notes have been awarded the ratings of P1 and A1 by Moody's Investors Service and Standard and Poor's Corporation, respectively.

Lehman Commercial Paper Inc will act as exclusive commercial paper dealer. Chemical Bank has been appointed issuing agent.

Tetherworth Engineering

Tetherworth Engineering (Sheepbridge) has completed a successful first 15 months trading since becoming independent. The company was formed by the present chairman and principal shareholder, Mr Warwick Jones, to acquire the assets of the engineering division of GKN Sheepbridge Equipment.

For the period to December 31, 1982 unaudited pre-tax profits are some £150,000 against "substantial losses" for the previous year, and the current term has started with orders worth in excess of £2.5m.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

£000's capitalisation	Company	Price	Change on week	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
4,482	Ass. Brit. Ind. Ord.	133	—	6.4	4.8	7.8	10.2
—	Ass. Brit. Ind. CULS	150	—	10.0	6.7	—	—
3,821	Airsprung Group	66	+1	6.1	9.2	7.5	12.9
900	Armitage & Rhodes	36	−2	4.3	11.9	4.0	7.1
17,475	Bardon Hill	288	—	11.4	4.0	12.0	15.1
1,513	CCL 11pc Conv. Pref.	121	−1	15.7	13.0	—	—
3,873	Cindico Group	245	−2	17.6	7.2	9.9	11.1
4,488	Deborah Services	58	−2	6.0	10.3	3.8	10.4
4,876	Frank Horsell	153	+2	7.9	5.2	6.4	6.9
8,957	Frederick Parker	62	—	6.4	10.3	3.1	6.0
701	George Blair	38	—	—	—	6.6	13.6
3,168	Ind. Precision Castings	78	−2	7.3	9.4	10.0	12.6
3,216	Isis Conv. Pref.	138	−1	15.7	11.7	—	—
3,213	Jackson Group	127	+5	7.5	5.9	3.9	8.1
23,601	James Burrough	171	+1	9.6	5.6	12.5	13.9
1,734	Robert Jenkins	170	−4	20.0	11.8	1.9	27.0
3,840	Scruttons "A"	74	—	5.7	7.7	9.8	11.6
2,856	Torday & Carlisle	117	−1	11.4	9.7	5.2	9.0
3,768	Unilock Holdings	24	—	0.46	1.9	—	—
9,307	Walter Alexander	73	−2	6.4	8.8	5.2	7.5
5,805	W. S. Yeates	253	−1	14.5	5.7	6.6	13.2

Prices now available on Prestel page 48146.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
¶¶	F.P.	—	253	250	AMEC (50p)	252	.....	g9.0	—	5.1	—
$108	F.P.	13/1	192	140	✠Baltic Leasing 5p	190	−2	b2.8	3.5	2.1	16.0
$75	F.P.	10/1	147	115	✠Bespak 10p	142	.....	b2.5	3.8	2.5	15.1
‖‖	F.P.	—	16	12	✠Booth (Charles) 5p	15	.....	—	—	—	—
$100	F.P.	22/4	102	100	Br. Kidney Pat. As.	102	.....	—	—	—	—
¶215	100p	28/4	84	60	Britoil 10p	62	−1	b8.9	1.6	8.0	9.8
$74	F.P.	21/1	135	103	✠Canvermoor	135	+5	b3.64	2.0	3.9	15.5
80	F.P.	12/11	102	63	✠Ciro 10p	108	.....	✠u5.92	1.9	5.2	14.4
25	F.P.	—	40	27	✠First Talisman Inv 20p	30	.....	b0.6	2.0	2.9	40.8
56	F.P.	7/1	133	98	✠Garfunkels Rest. 10p	112	.....	b1.86	3.2	2.4	14.6
$17	F.P.	21/1	35	24	✠Ion Leisure 5p	32	−2	ud.42	3.7	1.9	18.0
$150	F.P.	14/1	180	155	✠Memory Comp Ir 10p	178	+8	bQ2.8	6.6	1.5	18.1
$120	F.P.	30/12	260	195	✠Micro Bus. Sys. 10p	260	+10	b2.25	3.4	1.2	29.9
$155	F.P.	7/1	256	200	✠Munford & White	220	.....	b3.6	2.4	1.7	24.8
‖	F.P.	—	177	149	✠NMW Computers	173	.....	g3.0	2.6	2.5	18.5
$93	F.P.	4/2	198	145	✠Resource Tech. 10p	187	−2	—	—	—	38.0
525	F.P.	14/1	217	143	S.T.C (New)	197	.....	b6.0	1.9	4.4	16.2
$62½	F.P.	21/12	150	102	✠Slaters Food Prds 10p	137	−3	b2.0	3.6	2.1	14.4
$120	F.P.	—	125	112	✠Swindon Priv Hos £1	112	.....	—	—	—	—
✠$210	F.P.	17/12	305	275	Systems Design 'rs 10p	300	+5	b2.2	3.5	1.1	58.5
$10½	F.P.	—	30½	16	✠Tops Estates 10p	30½	.....	—	—	—	—
¶¶	F.P.	18/2	195	175	Transcontl. Serv. 50c	178	.....	NQ8.57	—	5.4	—
$80	F.P.	—	87	56	††Voyager Pet. (UK)	55	.....	—	—	—	—
20.84	F.P.	12/11	69	68	✠Woodchester Invs.	70	.....	bQ5.18	4.1	4.5	5.8

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
¶¶	F.P.	—	108	102	AMEC 15% Uns. Ln. 1992	106	+1
97.504	£25	4/3	29½	18¾	BOC 12¼% Uns. Ln. 2012-17	20	+1¼
99.431	£20	10/4	21⅞	13	Birmingham 11½% Red. 2012	14	+¾
96.574	£25	29/4	26¼	23½	Bishopsgate Tst. 7-17% Stpd Deb 2023	24½	+1
100	£10	24/12	11	9½	Cambridge Water Works 7%Red Prf'88	9½	.....
¶¶	F.P.	4/3	94	88	Espley-Tyas 11½% Conv. Uns. Ln. 1988	88	−1
97.91	£30	—	32	18¾	European Inv. Bk. 11% Ln. 2002	19¾	+1¼
¶¶	F.P.	—	36p	30p	Jessel Toynbee 3.75% Red Cum. Pref.	36p	.....
¶¶	F.P.	—	42	42	Keep Inv.Tst. 4.9% Net.Red.Cum.Pref.	42	−¼
99.799	£25	31/5	25½	22	London Shop 12.8% 1st Mt. Deb. 2015-20	23	+½
99.13	£25	31/5	24¾	20¾	NatWest 12½% Sub. ord Uns Ln.2004	22½	+1½
—	—	—	100¼	99½	Nationwide Bg.Soc.11¼% Bds.(18/12/83)	99½	.....
‡99.799	£30	25/2	30¾	26½	Scottish Eastern Inv. Tst 12% Deb. 2012	28½	+2
96.55	£25	—	25⅞	25	Sweden 13½% Ln. Stk. 2010	25⅛	.....
‖100	F.P.	25/4	124	107	Tesco 9% Cnv. Uns. Ln. 2002/07	113	+½
¶¶	F.P.	18/2	90	85	Transcont. 9% Cnv.Ret.Uns.Ln.Nts.1995	88	.....

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
26	Nil	—	—	137pm	94pm	Arlen Elec.	137pm	+2
90	Nil	—	—	24pm	18pm	Bellway	18pm	.....
60	F.P.	14/1	11/2	70½	65	ICL	67	+2
117	F.P.	31/12	31/1	162	156½	Park Place Inv	162	+4
68	Nil	—	—	5pm	3pm	Stakis 10p	5pm	.....
470	F.P.	11/1	11/2	590	523	Wolseley-Hughes	590	+6

Renunciation date usually last day for dealing free of stamp duty. Fr French Francs. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. ✠ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. ◆ Merger bid or reorganisation in progress.

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) have been officially notified. Dividends to be declared will not necessarily be at the amounts in the column headed "Announcement last year."

	Date	Announcement last year
Alexanders Discount	Jan 25	Final 13.0
Assoc. Dairies	Jan 27	Interim 1.35
Bank Leumi UK	Feb 15	Final 7.0
Bath and Portland	Feb 17	Final 2.5
*Berisford (S. & W.)	Jan 17	Final 5
Birmid Qualcast	Feb 17	Final 1.4
Brit. Elec. Traction	Jan 21	Interim 1.863
*Brown (J.)	Jan 28	Interim 1.75
Commercial Union	Feb 28	Final 6.95
Consolidated Plantations	Feb 18	Interim 7.6sen.
Dalgety	Feb 16	Interim 11.0
*Dixons	Jan 20	Interim 1.379
*Dowty	Jan 24	Interim 1.55
*Fitch Lovell	Jan 26	Interim 1.481
*Gestetner	Jan 19	Final 1.375
Gillett Bros. Discount	Feb 17	Final 1.75
*Gold Fields SA	Feb 1	Interim 165c
*Guinness (A.)	Jan 25	Final 3.325
HME	Feb 24	Interim 2.5
Hoover	Feb 24	Final 2.0
ICI	Feb 25	Sec. Int. 10.0
Imperial Group	Feb 10	Final 4.5
*Lloyds Bank	Feb 18	Final 12.75
Lonrho	Feb 11	Final 6.0
Lonsdale Universal	Feb 4	Final 0.5
*MFI Furniture	Jan 20	Interim 1.1
Marchwiel	Feb 23	Final 4.2
*Mercantile House	Jan 25	Interim due
NatWest	Feb 23	Final 16.575
Notts. Manuf.	Feb 22	Final 3.4
Plessey	Feb 25	Interim 3.542
Prop. Sec. Inv. Tst.	Jan 20	Interim 0.5
*Racal	Jan 18	Interim 1.265
*Rank Org.	Jan 25	Final 6.0
*SGB	Jan 17	Final 3.3
Securicor	Feb 10	Final 1.23
Sime Darby	Feb 18	Interim 4 sen.
Smith Bros.	Feb 4	Interim 0.6
*Tate and Lyle	Jan 19	Final 1.5
*Trusthouse Forte	Jan 13	Final 4.5
*Union Discount	Jan 26	Final 17.0

* Board meeting intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made. ¶ Forecast.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Ailsa Investment Trust, Imry Property, Restmor, Stroud Riley Drummond.

Finals: S. & W. Berisford, Bett Brothers, SGB.

FUTURE DATES

Interims:

Atlantic Assets Trust	Jan 20
Country and New Town Props.	Jan 20
Independent Investment	Jan 20
Sommerville (William)	Jan 24

Finals:

Bio-Isolates	†Jan 21
Ferguson Industrial	Jan 24

†Amended.

FT Share Information

The following securities have been added to the Share Information Service:

Abwood Machine Tool (Preference shares) (Section: Engineering).
Black Hill Minerals (Mines—Australia).
Breville Europe (Electricals).
Conroy Petroleum and Natural Resources (Oil and Gas).
Fitch & Company Design Consultants (Paper).
Industrial Finance & Investment Corporation (Trusts, Finance, Land).
Polymark International Cumulative Cond. Red. Part. Pref. A (Industrials).
Technofan SA (Motor—Components).

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INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

Week in parliament: Lords to debate Falklands

TODAY

Commons: Consideration of timetable motion on Transport Bill, Motion on Rate Support Grant (Scotland) (No. 2) Order, and on Housing Support Grant (Scotland) Orders.

Lords: Debate on Defence White Paper "Falkland Islands—the Falklands Campaign: The Lessons."

Select Committees: Home Affairs: Sub-committee on Race Relations and Immigration—Subject: Ethnic and Racial Questions in Census: Witnesses: Department of Employment; Manpower Services Commission; Department of Education and Science (Room 15, 11.00 am).

Foreign Affairs—Subject: Falkland Islands. Witnesses: Foreign and Commonwealth Office officials; Mr M. Deas, St Antony's College, Oxford; Professor J. E. D. Fawcett (Room 16, 4.30 pm).

TOMORROW

Commons: Water Bill remaining stages.

Lords: Mental Health (Amendment) (Scotland) Bill, committee. Plant Varieties Bill, Report. Fishing Vessels (Temporary Financial Assistance) Scheme 1982, motion for approval.

Select Committees: Environment—Subject: Problems of Management of Urban Renewal. Witnesses: London Chamber of Commerce and Industry; National Council of Voluntary Organisations (Room 16, 4.15 pm).

Foreign Affairs: Overseas Development Sub-committee—Subject: Overseas Development Administration's Scientific and Special Units. Witnesses: Dr W. K. Gamble, director general, International Services for National Agricultural Research; Mr J. Anning, Overseas Development Administration (Room 18, 5.00 pm).

WEDNESDAY

Commons: Debate on the economy.

Lords: Debate on educational opportunities under the present Government and the adverse effect on economic recovery. Short debate on the work of British Volunteer Programme and the voluntary agencies engaged in educating the public on the problems of developing countries.

Select Committees: Defence—Subject: Future Defence of the Falklands. Witnesses: Mr F. E. C. Gregory, Dr Peter Calvert and Dr John Simpson of Southampton University (Room 15, 10.30 am).

Education, Science and Arts—Subject: Expenditure session: Arts and Libraries. Witness: Mr Paul Channon MP, Minister for the Arts (Room 6, 10.30 am).

Home Affairs—Subject: Representation of the People Act 1949. Witnesses: Organisation of UK Citizens Resident Abroad (Room 8, 11.00 am).

Industry and Trade—Subject: British Steel Corporation's prospects: Witness: TUC Steel Committee (Room 16, 4.00 pm).

Energy—Subject: Energy Research, Development and Demonstration in the UK. Witness: The UK Atomic Energy Authority (Room 6, 4.15 pm).

Social Services—Subject: Children in Care. Witnesses: Association of County Councils; Association of Metropolitan Authorities; London Boroughs Association (Room 21, 4.15 pm).

Employment—Subject: the work of the Health and Safety Commission and Executive: Asbestos. Witness: Health and Safety Executive (Room 8, 4.30 pm).

THURSDAY

Commons: Motions on the Rate Support Grant Supplementary Report (England) 1982-83, and on the Rate Support Grant (England) 1983-84. Motions on the Welsh Rate Support Grant Report 1980 (Supplementary) (No. 2) Report 1982; on the Welsh Rate Support Grant Report 1982 (Supplementary) Report 1982, and on the Welsh Rate Support Grant Report 1983-84.

Lords: Data Protection Bill, Second Reading. Merchant Shipping Bill, Committee. Short debate on industry and the present high costs of energy with particular reference to electricity.

Select Committees: Agriculture—Subject: Organisation and financing of the Agricultural Research and Development: Witness: University Grants Committee; Department of Education and Science (Room 16, 11.00 am).

Foreign Affairs Overseas Development Sub-committee—Subject: Overseas Development Administration's Scientific and Special Units. Witnesses: Overseas Development Administration officials (Room 18, 11.00 am).

FRIDAY

Commons: Private Members' Bills.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TODAY

COMPANY MEETINGS—
Carr's Milling Inds., Crest Hotel, Kingstown, Carlisle 11.30
Hunslet (Hldgs), Hunslet Engine Works, Leeds, 11.00

BOARD MEETINGS—
Finals:
Berisford (S. and W.)
Bett Brothers
SGB
Interims:
Ailsa Inv Tst
Imry Property
Restmor
Stroud Riley Drummond

DIVIDEND & INTEREST PAYMENTS—

[illegible]

Lane, Doncaster, 11.00
Dundee and London Inv. Tst., Royal Exchange, Dundee, 12.00
Seevhawk, Great Fosters Hotel, Egham, 12.00
Stanelco, 20, Copthall Avenue, EC, 11.00

BOARD MEETINGS—
Finals:
Countryside Properties
Lincroft Kilgour
Interims:
Caledonian Associated Cinemas

Group Investors
Kakuzi
Midland Trust

[illegible]

Interims:
AGB Research
Austin (James) Steel
Banks (Sidney C.)
Estate Property Inv
Gelfer (A. and J.)
Mountleigh
New Wits

DIVIDEND & INTEREST PAYMENTS—
Canadian Pacific Enterprises 20cts
Dundee and London Inv. Tst. 2.75p
Hall (Matthew) 1.195p

Industrias Penoles SA De C.V. Fltg. Rate Notes 1989 $265.60

[illegible]

De Brett (Andre)
Dixons
Independent Inv
MFI Furniture

DIVIDEND & INTEREST PAYMENTS—
Cambrian and Gen. Secs. 0.4p
Carless Capel and Leonard 4p
Courage 3½pc2ndDb 1986 1¾pc. Do. 8pc2ndDb 1989-94 4pc. Do. 6½pcLn. 2004-09 3¼pc. Do. 10½pcLn. 1990-1995 5¼pc
Elys (Wimbledon) 7¼pc1stMtgDb. 1986-

1991 Tspc. Do. 9½pcLn. 1995-99 4¾pc
G.R. (Hldgs) 5.4p
General Stockholders Inv. Tst. 2.45p
Grampian Television NV 'A' 1.1p
Rowlinson Secs. 0.181125p
Sungei Besi Mines Malaysia Sen 10
Turnbull Scott 3p. Do. NV A 3p
Wandsworth (London Borough of) Var. Rate Red. 1983 £6.65625
Wells Fargo 46cts.
Wolverhampton and Dudley Brews. 4.2p

FRIDAY JANUARY 21

BOARD MEETINGS—
Finals:
Bio-Isolates
Raeburn Inv Tst
Interims:

[illegible]

Utd. Wire 3.55p
Valor 0.954p

SATURDAY JANUARY 22

DIVIDEND & INTEREST PAYMENTS—
Bishop's Group 1.5p. Do. NV A 1.5p
Energy Finance and Gen. Tst. RV 0.6p
Exchequer 12pc 1999-2002 6pc. Do. 13¼pc 1987 6⅝pc
Property and Reversionary Invs. 1p
Treasury Stk. 14pc 1998 7pc. Do. 13¼pcLn. 1997 6⅝pc. Do. 12¼pcLn. 1992 6⅛pc. Do. 11¾pcStk. 2003-2007

Church call for action over jobless

CHURCH OF ENGLAND members are being urged to take political action over Britain's unemployment problem.

The recommendation is contained in a study pack on unemployment produced by the industrial and economic affairs committee of the Church's General Synod, headed by the Rt Rev Simon Phipps, Bishop of Lincoln.

The pack is intended for use by church groups studying social problems. "Take political action," it urges. "Join an unemployment march: take your church banner with you: write to your MP, MEP or to the Prime Minister."

The pack examines the policies of the major political parties. "The policy of the present Government is based on the philosophy that if the market is left to get on with minimum interference from outside, things will come right," it says. "Few people now believe this is working."

The pack calls for new ideas to deal with changing lifestyles. "All our traditional ways of thinking about work and leisure, about going out to work and working for yourself, about the difference between paid employment and voluntary work, will all be put in the melting pot," it says.

"New ideas and new ways of thinking to help us to cope with these exciting developments are urgently needed."

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Jan 18-21	Which Computer? Show (01-747 3131)	NEC, Birmingham
Jan 23-27	International Lightshow (05884 658)	Olympia
Jan 26-27	Hotel Catering and Fast Food Exhibition (01-222 9341)	Bournemouth
Jan 25-27	London Contract Flooring and Wallcovering Exhibition (Surrey (0276) 74987)	Cunard International Hotel
Jan 29-Feb 2	British Toy and Hobby Fair (01-701 7127)	Earls Court
Feb 2-6	International Swimming Pool and Leisure Show (Leatherhead (0372) 372896)	Wembley Conference Centre
Feb 6-10	International Spring Fair (01-499 7324)	NEC, Birmingham
Feb 9-10	Business Equipment and Services Exhibition (Bournemouth (0202) 20533)	Bournemouth
Feb 10-11	Lasers at Work—a Live Exhibition ((0480) 66299)	Stukely Meadows Industrial Estate, Cambridgeshire
Feb 13-16	International Men's and Boys' Wear Exhibition—IMBEX (021 705 6707)	Olympia
Feb 20-22	Video Software Show (01-686 2599)	Heathrow Penta Hotel
Feb 22-24	British Yarns Show (Bradford (0274) 490087)	Holiday Inn, Leicester
Feb 22-25	Information Technology and Office Automation Exhibition INFO '83 (01-647 1001)	Barbican

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	International Lighting Exhibition (01-439 3964) (until January 18)	Paris
Jan 10-13	International Hotel and Catering Industries Trade Fair—Horecava '83 (01-228 2880)	Amsterdam
Jan 12-16	Home Furnishing Textile Fair (01-734 0534)	Frankfurt
Jan 19-22	International Electronic Packaging and Production Equipment Exhibition (0483 38085)	Tokyo
Jan 19-25	International Toy Exhibition (01-439 3964)	Paris
Jan 24-28	International Record and Music Publishing Market MIDEM (01-499 2317)	Cannes
Feb 4-7	Triveneto Sporting Goods Exhibition (049 38.620)	Padova, Italy
Feb 5-9	Middle East Electricity and Electronics Exhibition (01-935 8200)	Jeddah
Feb 9-12	International Fair for Household Appliances Fittings and Components—DOMOTECHNICA (01-730 4645)	Cologne
Feb 11-14	International Exhibition of Household Goods, Glassware, Ceramics, Software and Gifts—MACEF (01-242 7829)	Milan
Feb 21-25	Environmental Pollution Control Techniques ENVITECH (01-730 4645)	Amsterdam

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
Current	FT Conference: New challenges for the accountancy profession (01-621 1355) (until January 18)	Inter Continental Hotel, W1
Jan 17-18	Weisweiller Adfos; Trading in financial futures (01-229 8244)	Press Centre, EC4
Jan 18	ESC: Corporate finance now (Uppingham (057 282) 2711)	Glaziers Hall, SE1
Jan 19	Oyez IBC: The new poster business—have the questions been answered? (01-236 4080)	Royal Garden Hotel, W8
Jan 19	Macfarlane: Better media value for advertisers (01-724 2598)	Press Centre, EC4
Jan 19	The Henley Centre for Forecasting: Leisure futures (01-353 9961)	Inn on the Park Hotel, W1
Jan 19-20	FT Conference: International property markets (01-621 1355)	Inter Continental Hotel, W1
Jan 20	Institute of Directors: How to get money for new ventures (01-839 1233)	116 Pall Mall, SW1
Jan 25	OFDI and Seminar Services Int: U.S. anti-trust policy today—its impact on European corporations (Swiss (41 21) 20.68.50)	Brussels
Jan 26	Biba: The security of insurance and reinsurance companies (01-623 9043)	City Conference Centre, EC3
Jan 26	BeB: So you think you want to move offices? (01-464 5418)	Barbican, EC2
Jan 26	Oyez IBC Test marketing in concept and practice (01-236 4080)	Princess Anne Theatre, W1
Jan 26-27	FT Conference: Cable television and satellite broadcasting (01-621 1355)	Inter Continental Hotel, W1
Jan 26-28	RRG: An introduction to insurance marketing (01-236 2175)	Royal Horseguards Hotel
Feb 2	The Henley Centre for Forecasting: Freight transport (01-353 9961)	Inn on the Park Hotel, W1
Feb 2-3	Agra Europe: Outlook 83—2nd European outlook conference (Tunbridge Wells (0892) 33813)	Hilton Internatnl., Park Lane
Feb 7-11	RRG: Advanced reinsurance practice (01-236 2175)	Royal Wstmnstr. Htl., London
Feb 9-10	FT conference: Pensions in 1983 (01-621 1355)	Inter Continental Hotel, W1
Feb 15	Oyez IBC: The litigation letter seminar—recent developments and future trends in litigation practice and procedure (01-236 4080)	Royal Lancaster Hotel, W2
Feb 21-22	FT conference: Automated manufacturing—adopt or decline? (01-621 1355)	Royal Lancaster Hotel, W2
Feb 22	Institute of Directors: International conference (01-839 1233)	116 Pall Mall, SW1
Feb 22-23	Oyez IBC: Cleaner technologies—making pollution prevention pay (01-236 4080)	Sudbury Conf. Centre, EC1

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

TENDERS MUST BE LODGED AT THE BANK OF ENGLAND, NEW ISSUES (Y), WATLING STREET, LONDON, EC4M 9AA NOT LATER THAN 10.00 AM ON WEDNESDAY, 19TH JANUARY 1983, OR AT ANY OF THE BRANCHES OF THE BANK OF ENGLAND OR AT THE GLASGOW AGENCY OF THE BANK OF ENGLAND NOT LATER THAN 3.30 PM ON TUESDAY, 18TH JANUARY 1983.

ISSUE BY TENDER OF £750,000,000

2½ per cent INDEX-LINKED TREASURY STOCK, 2016

PAYABLE AS FOLLOWS

Deposit with tender	£25.00 per cent
On Monday, 14th February 1983	£35.00 per cent
On Monday, 14th March 1983	Balance of purchase money

INTEREST PAYABLE HALF-YEARLY ON 26TH JANUARY AND 26TH JULY

1. The Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Application has been made to the Council of The Stock Exchange for the Stock to be admitted to the Official List.

2. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive tenders for the above Stock.

3. The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the Consolidated Fund of the United Kingdom.

4. The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one penny, by instrument in writing in accordance with the Stock Transfer Act 1963. Transfers will be free of stamp duty.

5. If not previously redeemed under the provisions of paragraph 14, the Stock will be repaid on 26th July 2016. The value of the principal on repayment will be related, subject to the terms of this prospectus, to the movement, during the life of the Stock, of the United Kingdom General Index of Retail Prices maintained by the Department of Employment, or any index which may replace that index for the purposes of this prospectus, such movement being indicated by the index figure issued monthly and subsequently published in the London, Edinburgh and Belfast Gazettes.

6. For the purposes of this prospectus, the index figure applicable to any month will be the index figure issued seven months prior to the relevant month and relating to the month before that prior month; "month" means calendar month; and the index ratio applicable to any month will be equal to the index figure applicable to that month divided by the index figure applicable to January 1983.

7. The amount due on repayment, per £100 nominal of Stock, will be £100 multiplied by the index ratio applicable to the month in which repayment takes place. This amount, expressed in pounds sterling to four places of decimals rounded to the nearest figure below, will be announced by the Bank of England not later than the business day immediately preceding the date of the penultimate interest payment.

8. Interest will be payable half-yearly on 26th January and 26th July. Income tax will be deducted from payments of more than £5 per annum. Interest warrants will be transmitted by post.

9. The first interest payment will be made on 26th July 1983 at the rate of £1.0911 *per £100 nominal* of Stock.

10. Each subsequent half-yearly interest payment will be at a rate, per £100 nominal of Stock, of £1.25 multiplied by the index ratio applicable to the month in which the payment falls due.

11. The rate of interest for each interest payment other than the first, expressed as a percentage in pounds sterling to four places of decimals, rounded to the nearest figure below, will be announced by the Bank of England not later than the business day immediately preceding the date of the previous interest payment.

12. If the index is revised to a new base after the Stock is issued, it will be necessary, for the purposes of the preceding paragraphs, to calculate and use a notional index figure in substitution for the index figure applicable to the month in which repayment takes place and/or an interest payment falls due ("the month of payment"). This notional index figure will be calculated by multiplying the actual index figure applicable to the month of payment by the index figure on the old base for the month on which the revised index is based and dividing the product by the new base figure for the same month. This procedure will be used for each occasion on which a revision is made during the life of the Stock.

13. If the index is not published for a month for which it is relevant for the purposes of this prospectus, the Bank of England, after appropriate consultation with the relevant Government Department, will publish a substitute index figure which shall be an estimate of the index figure which would have been applicable to the month of payment, and such substitute index figure shall be used for all purposes for which the actual index figure would have been relevant. The calculation by the Bank of England of the amounts of principal and/or interest payable on the basis of a substitute index figure shall be conclusive and binding upon all stockholders. No subsequent adjustment to such amounts will be made in the event of subsequent publication of the index figure which would have been applicable to the month of payment.

14. If any change should be made to the coverage or the basic calculation of the index which, in the opinion of the Bank of England, constitutes a fundamental change in the index which would be materially detrimental to the interests of stockholders, Her Majesty's Treasury will publish a notice in the London, Edinburgh and Belfast Gazettes immediately following the announcement by the relevant Government Department of the change, informing stockholders and offering them the right to require Her Majesty's Treasury to redeem their stock. For the purposes of this paragraph, repayment to stockholders who exercise this right will be effected, on a date to be chosen by Her Majesty's Treasury, not later than seven months from the last month of publication of the old index. The amount of principal due on repayment and of any interest which has accrued will be calculated on the basis of the index ratio applicable to the month in which repayment takes place. A notice setting out the administrative arrangements will be sent to stockholders at their registered address by the Bank of England at the appropriate time.

15. Tenders must be lodged at the Bank of England, New Issues (Y), Watling Street, London, EC4M 9AA not later than 10.00 AM ON WEDNESDAY, 19TH JANUARY 1983, or at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England not later than 3.30 PM ON TUESDAY, 18TH JANUARY 1983. Each tender must be for one amount and at one price which is a multiple of 25p. Tenders will not be revocable between 10.00 am on Wednesday, 19th January 1983 and 10.00 am on Monday, 24th January 1983. TENDERS LODGED WITHOUT A PRICE BEING STATED WILL BE REJECTED.

16. A separate cheque representing a deposit at the rate of £25.00 for every £100 of the nominal amount of Stock tendered for must accompany each tender; cheques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isle of Man.

17. Tenders must be for a minimum of £100 nominal of Stock and for multiples of Stock as follows:—

Amount of Stock tendered for	Multiple
£100—£1,000	£100
£1,000—£3,000	£500
£3,000—£10,000	£1,000
£10,000—£50,000	£5,000
£50,000 or greater	£25,000

18. Her Majesty's Treasury reserve the right to reject any tender or part of any tender and may therefore allot to tenderers less than the full amount of the Stock. Tenders will be ranked in descending order of price and allotments will be made to tenderers whose tenders are at or above the lowest price at which Her Majesty's Treasury decide that any tender should be accepted (the allotment price). All allotments will be made at the allotment price: tenders which are accepted and which are made at prices above the allotment price will be allotted in full; tenders made at the allotment price may be allotted in full or in part only. Any balance of Stock not allotted to tenderers will be allotted at the allotment price to the Governor and Company of the Bank of England, Issue Department.

19. Letters of allotment in respect of Stock allotted, being the only form in which the Stock may be transferred prior to registration, will be despatched by post at the risk of the tenderer, but the despatch of any letter of allotment, and any refund of the balance of the amount paid as deposit, may at the discretion of the Bank of England be withheld until the tenderer's cheque has been paid. In the event of such withholding, the tenderer will be notified by letter by the Bank of England of the acceptance of his tender and of the amount of Stock allocated to him, subject in each case to payment of his cheque, but such notification will confer no right on the tenderer to transfer the Stock so allocated.

20. No allotment will be made for a less amount than £100 Stock. In the event of partial allotment, the balance of the amount paid as deposit will, when refunded, be remitted by cheque despatched by post at the risk of the tenderer; if no allotment is made the amount paid as deposit will be returned likewise. Payment in full may be made at any time after allotment but no discount will be allowed on such payment. Interest may be charged on a day-to-day basis on any overdue amount which may be accepted at a rate equal to the London Inter-Bank Offered Rate for seven day deposits in sterling ("LIBOR") plus 1 per cent per annum. Such rate will be determined by the Bank of England by reference to market quotations, on the due date for the relevant payment, for LIBOR obtained from such source or sources as the Bank of England shall consider appropriate. Default in due payment of any amount in respect of the Stock will render the allotment of such Stock liable to cancellation and any amount previously paid liable to forfeiture.

21. Letters of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England, New Issues, Watling Street, London, EC4M 9AA, or by any of the Branches of the Bank of England, on any date not later than 10th March 1983. Such requests must be signed and must be accompanied by the letters of allotment (but a letter cannot be split if any instalment payment is overdue).

22. Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the balance of the purchase money is paid, unless payment in full has been made before the due date, in which case they must be surrendered for registration not later than 14th March 1983.

23. Tender forms and copies of this prospectus may be obtained at the Bank of England, New Issues, Watling Street, London, EC4M 9AA, or at any of the Branches of the Bank of England, or at the Glasgow Agency of the Bank of England, 25 St. Vincent Place, Glasgow, G1 2EB; at the Bank of Ireland, Moyne Buildings, 1st Floor, 20 Callender Street, Belfast, BT1 5BN; at Mullens & Co., 15 Moorgate, London, EC2R 6AN; or at any office of The Stock Exchange in the United Kingdom.

BANK OF ENGLAND
LONDON
14th January 1983

THIS FORM MAY BE USED

TENDER FORM

This form must be lodged at the Bank of England, New Issues (Y), Watling Street, London, EC4M 9AA not later than 10.00 A.M. ON WEDNESDAY, 19TH JANUARY 1983, or at any of the Branches of the Bank of England or at the Glasgow Agency of the Bank of England not later than 3.30 P.M. ON TUESDAY, 18TH JANUARY 1983.

ISSUE BY TENDER OF £750,000,000

2½ per cent INDEX-LINKED TREASURY STOCK, 2016

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND

I/We tender in accordance with the terms of the *prospectus* dated 14th January 1983 as follows:—

Amount of above-mentioned Stock tendered for, being a minimum of £100 and in a *multiple* as follows:—

Amount of Stock tendered for	*Multiple*
£100—£1,000	£100
£1,000—£3,000	£500
£3,000—£10,000	£1,000
£10,000—£50,000	£5,000
£50,000 or greater	£25,000

1. NOMINAL AMOUNT OF STOCK £

Amount of deposit enclosed, being £25.00 for every £100 of the *nominal* amount of Stock *tendered for* (shown in Box 1 above):—

2. AMOUNT OF DEPOSIT (a) £

The price tendered per £100 Stock, being a multiple of 25p (tenders lodged without a price being stated will be rejected):—

3. TENDER PRICE (b) £ : p

I/We hereby engage to pay the instalments as they shall become due on any allotment that may be made in respect of this tender, as provided by the said prospectus.

I/We request that any letter of allotment in respect of Stock allotted to me/us be sent by post at my/our risk to me/us at the address shown below.

........January 1983

SIGNATURE .... of, or on behalf of, tenderer

PLEASE USE BLOCK LETTERS

MR/MRS MISS	FORENAME(S) IN FULL	SURNAME
FULL POSTAL ADDRESS:—		
POST-TOWN	COUNTY	POSTCODE

(FT)

a A separate cheque must accompany each tender. Cheques should be made payable to "Bank of England" and crossed "Treasury Stock." Cheques must be drawn on a bank in, and be payable in, the United Kingdom, the Channel Islands or the Isle of Man.

b Each tender must be for one amount and at one price which is a multiple of 25p.

COMPANY NOTICES

THE WEEK IN THE COURTS

Jury trial and the EEC danger

IN arguing the case that British interests would be best served by accession to the European Economic Community, the administration of Mr Edward Heath went to great lengths, in July 1971, to assure the British electorate that the legal systems of England and Scotland would remain intact.

To be more specific, the White Paper of the day proclaimed: "the common law will remain the basis of our legal system and our courts will continue to operate as they do at present . . . All the essential features of our law will remain, including the safeguards for individual freedom, such as trial by jury . . ."*

Those who fondly believed that the European Communities Act 1972, which effected British *entry to* the Common Market, faithfully made good such assurances may have their illusions shattered on Thursday. The House of Lords is due to hand down then its decision in a case which involves the interpretation of one section of the Act.† If, as expected, the decision were to affect adversely the individual's right in a criminal trial to have all issue of fact determined by 12 good people and true, it would be seized by opponents of continued UK membership of the EEC as another powerful reason to pull out.

In 1980, Mr Alexander Goldstein came from Antwerp through Customs at Felixstowe, smuggling a number of citizens' band radios. At that time, there was a ban on their importation. The Government later modified the ban to a limited extent. When charged with the offence of fraudulent evasion of the prohibition, Mr Goldstein did not contest the charge of smuggling, but pleaded that the prohibition violated the provision in the Treaty of Rome, which said that there should be no restrictions on the free movement of goods.

The prosecution agreed with that, but claimed that the prohibition under Community law was subject to an exception contained in Article 36. This Article provides that member states may restrict the import of goods from a fellow member state, if such restriction could be justified on grounds of public policy or public security, or if it were imposed for the protection of health and life of humans.

At Ipswich Crown Court, the prosecution led evidence to show that the use of citizens' band radios affect adversely a whole range of electronic devices throughout the country. Users of CB radios could interfere with aircraft landing systems, hospitals' bleep paging systems (which assist doctors and officials in hospitals in summoning them by centrally-operated radio signal), and fire services and police wavelengths.

There was one witness, an *anonymous army officer who* had served in Northern Ireland, who said that CB radios were a popular instrument among terrorists both to detonate by remote control explosive devices and to alert fellow terrorists to police movements, and hence were a valuable adjunct to murder and violence in the province. On the strength of that evidence, the circuit judge came to the conclusion that the prohibition was justified.

His decision was made on the evidence which he heard in the absence of the jury from the courtroom, and he accordingly directed the jury to convict the defendant. If that procedure were to have been adopted in a trial which involved no EEC law, that would have been a grave irregularity, because only a jury can decide issues of fact, after being properly directed by the judge on the relevant law. Whether any action be justified on the grounds of public policy or public good, is essentially a jury question.

A good example in British law is to be found in the area of pornography. If a jury were to find a book or a film obscene, it might have to go on and test the defence that the publication of the obscene material is, nevertheless, for the public good. No judge can decide such an issue. Where opinions may reasonably differ, an opinion that is shared by 12 ordinary citizens (or at least 10 of them) is thought to be more reliable than that of one judge. Who better to test what is justified on grounds of public policy than the representatives of the public?

Thus everything turned on Section 3 of the European Communities Act, 1972. This provides that "for the purposes of all legal proceedings, any question as to the meaning or effect" of EEC law is to be treated as a question of law, and hence a matter for the judge in a criminal trial on indictment. Did Parliament intend thereby to modify an accused's right to trial by jury? All the textbook commentators took the view that Parliament never intended to take away any of the individual's right to have factual *issues determined* exclusively by a jury, and they concluded that all Parliament was doing was to provide that Community law should not be treated as a system of foreign law (and therefore a question of fact to be provided by expert evidence of that law), but dealt with on the same footing as English law.

The Court of Appeal, while recognising that the textbook writers were unanimous in their opinion that the only purpose of the section was to avoid the necessity to call expert witnesses on EEC law, held that the question, as to whether the prohibition on the importation of citizens' band radios was justified on grounds of public policy, was concerned with the "meaning and effect" of EEC law, and therefore was a question of law.

The rival argument was that the question related, not to the interpretation and legal status of the relevant EEC law, but to the application of EEC law to the facts of the case before the English courts. This interpretation of Section 3 was wholly in accord with the proper relationship of the European Court of Justice at Luxembourg and the courts of the member states.

From its inception, the European Court has been at pains to state that its function is one of partnership with the courts of the member states. Questions of the validity and interpretation of EEC law are ultimately questions for the European Court. But, once it is clear what meaning and effect is to be given to EEC law, it is entirely for the national courts to apply that law to the facts involved in the national litigation. The argument for Mr Goldstein was that Section 3 was entirely faithful to the concept of partnership and did not trespass on the manner in which the English courts applied EEC law to legal proceedings in an English court. Parliament could not have intended any greater legal consequence.

If the House of Lords were to uphold the ruling of the Court of Appeal, it would in effect be distorting the delicate balance between the two systems of law, so erected by the founders of the Treaty of Rome and carefully preserved by the European judges. EEC law would be given a dominance beyond that which was obviously intended, and in such a way that the right to trial by jury would be diminished. Issues of public policy and the like would hereafter be determined by judges and not by jurors.

European lawyers, who are unfamiliar with trial by jury as we know it, would nevertheless be astonished to see English courts taking the line that jury trial has been modified by British accession to the treaty. English lawyers would chalk the case up as another example of how English judges can so misjudge the intention of Parliament by their refusal to look at proceedings in Parliament and government White Papers issued preparatory to legislation.

To head off any disquiet felt by Parliamentarians at such a result, the Government might feel it necessary to amend Section 3 in order to restore the law to have the effect originally intended.

* *The United Kingdom and the European Communities, Cmnd. 4715, para. 31.*

†*R v. Goldstein [1982] 1 W.L.R. 804.*

Justinian

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

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INSURANCES

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مكذا من الاصل

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.		215.49		—
Managed Inv. Fd	146.67	154.39		—
Property Fd	144.54	152.15		—
Fixed Interest Fd	137.24	144.47		—
Cash Fd	130.49	137.36		—
Income Fd.	141.83	149.29		—
Extra Income Fd	132.99	139.99		—
Worldwide Growth Fd.	186.72	196.55		—
Balanced Fd	155.85	164.00		—
Smlr Co's & Recv. Fd	160.05	168.48		—
Int. Technology Fd	207.87	218.82		—
Nth. Amer. & Gen. Fd.	131.42	138.34		—
Energy Int. Fd	84.59	89.05		—
Pacific Basin Fund	113.27	119.24		—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath 0444 414111

Equity	93.3	98.2	-3.7	—
International	103.8	109.3	+0.7	—
Property	95.9	100.9	-0.5	—
Deposit	95.3	100.3	+0.2	—
Fixed Interest	92.4	97.3	-1.9	—
Managed	96.9	102.0	+1.5	—
Equity Pens. Cap	92.9	97.8	-4.3	—
Intnl. Pens. Cap.	104.9	110.4	+9.8	—
Property Pens Cap	95.8	100.8	-0.5	—
Deposit Pens Cap	95.3	100.3	+0.2	—
Fixed Int Pens Cap	91.9	96.7	-2.3	—
Managed Pens Cap	97.0	102.1	+1.4	—

Canada Life Group
2-6, High St., Potters Bar, Herts P. Bar 51122

Equity Gth. Jan 5		83.2		—
Rtmt. Fed Jan 7		204.4		—
Managed Pen Fund	164.1	172.8		—
Property Pen Fund	109.3	115.0		—
Index Lnkd Pen Fund	115.9	122.0		—
Managed	105.2	110.8		—
Property	97.7	102.9		—
Gilt and Fixed Interest	94.6	99.6		—
Index-Linked	103.9	109.4		—
Equity	106.8	112.5		—
Cash	97.2	102.4		—
Midland Br. Unit Tst.	101.8	107.2		—
Midland Bank Intnl	119.9	126.3		—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	121.5	127.9	+0.4	—
GT Pln High Yld Fnd	102.6	108.1	-1.0	—
GT Plan Far East Fnd	97.4	102.6	-0.6	—
GT Pln N.Am Fund	136.8	144.0	+1.7	—
GT Pln UK&G.E. Fnd	116.2	122.4	-1.4	—
GT Pln Wrldwde Fnd.	110.8	116.7	-0.8	—
GT Pension Bnd Fnd.	126.0	132.7	+0.4	—
GT Pen High Yld Fd	113.5	119.5	-1.3	—
GT Pen Far East Fd	101.7	107.1	-0.8	—
GT Pen N. Am. Fd.	165.0	173.7	+2.4	—
GT Pen UK & G.E. Fd.	125.6	132.3	-1.4	—
GT Pen Worldwide Fd.	115.7	121.8	-1.1	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY 01-488 0799

Intl Managed Bond	154.5	162.7		—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		224.4		—
Portfolio Fd. Init.		183.3		—
Portfolio Fd. Cap.		208.1		—
Portfolio Man. Acc.	65.4	68.8		—
Portfolio Man. Init.	58.3	61.4		—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		1,425		—
Landbank Secs.		64.03		—
Landbank Scs. Acc.	173.3	177.8		—
G. & S. Super Fd.		£10.734		—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101

Guardian Assurance

Property Bonds	298.6	311.0		—

GRE Linked Assurance Limited

Managed Initial	181.5	191.0	+2.3	—
Do. Accum.	198.1	208.5	+2.6	—
Equity Initial	225.1	236.9	-3.9	—
Do. Accum.	245.7	258.6	+3.7	—
Fixed Int. Initial	173.5	182.7	+3.6	—
Do. Accum.	189.4	199.4	+3.9	—
International Initial	177.7	187.0	+2.2	—
Do. Accum.	193.9	204.1	+1.3	—

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OFFSHORE AND OVERSEAS

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NOTES

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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
21Aug	21F	Exch. 3pc 1983	99¼	1.12	3.02	10.61
17S	17Mar	Treasury 12pc 1983‡‡	100	11.8	11.99	11.29
18Ja	18Jul	Treasury 9½pc '83	99 xd	13.12	9.31	10.78
22May	22N	Exch. 13½pc '83	101	18.10	13.24	10.96
12Jun	12D	Exch. 10pc 1983	99	5.11	10.08	10.85
15Jul	15Ja	Funding 5½pc '82-84‡‡	97	9.12	5.67	8.69
20Aug	20F	Exch. 11¼pc 1984	100¼xd	14.7	11.17	10.58
22N	22May	Exchequer 14pc 1984	103	18.10	13.52	11.06
19D	19Jun	Exch. 3pc 1984	93¾	12.11	3.20	7.75
26Mar	26S	Treasury 12pc 1984	101½	20.8	11.82	10.95
22Aug	22F	Treasury 15pc 1985	106¾	16.7	14.04	11.15
22S	22Mar	Exch. 12pc Cnv. '85	103¾	16.8	11.57	10.83
21N	21My	Treasury 3pc 1985	90	15.10	3.33	7.75
15Jan	15Jul	Treasury 11½pc 1985	101½	9.12	11.37	10.98
	3 Sept	Treas. 8⅜pcCr85 (£60pd)	56⅞	—	9.01	10.02
22May	22N	Exch. 12¼pc 1985	102	18.10	12.01	11.38
25 Aug	25F	Exch. 11¾pc '86	100⅝	19.7	11.68	11.47
19N	19May	Treasury 3pc 1986	86⅞	13.10	3.45	7.52
12D	12Jun	Treasury 12pc '86	101½	5.11	11.82	11.45
10Ja	10Jul	Treasury 8½pc '84-86‡‡	96⅛	6.12	8.82	9.77
14Ja	14Jn	Treas. 12¼pc '86 Cnv.	106⅛	8.12	11.54	10.12
29Apr	29Oct	Exch. 14pc 1986	107	22.9	13.08	11.63
22Jul	22Jan	Exch. 13¼pc 1987	105xd	16.12	12.62	11.65
—		Exchequer 2½pc 1987	84	—	2.98	7.06
Oct 6	Apr 6	Exch. 10½pc 1987	97¼	—	10.80	11.42
1N	1May	Funding 6½pc '85-87‡‡	92	27.9	7.07	8.79
14Ja	14Jul	Treasury 3pc 1987	84¼	8.12	3.56	7.17
3 May	3N	Treas. 12pc 1987	101¼	27.9	11.85	11.62

Five to Fifteen Years

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
26Jul	26Ja	Treasury 7¾pc '85-88‡‡	91xd	20.12	8.50	10.02
—		Exch 10½pc '88	96⅛	—	11.09	11.85
1Ja	1Jul	Transport 3pc '78-88	77½	25.11	3.88	8.24
25Ap.	25Oct	Treas. 9½pc '88	92¾	—	10.38	11.53
22Aug.	22F	Treasury 11½pc 1989	101¼	16.7	11.85	12.16
15Ap	15Oct	Treasury 5pc '86-89	80¼	8.9	6.29	9.13
15Jul.	15Ja.	Treasury 13pc 1990‡‡	104¼	9.12	12.53	12.18
22Sept	22Mar	Exch. 12½pc 1990	105¾	16.8	12.40	12.31
15D	15Jun	Treasury 8¼pc '87-90‡‡	88½	8.11	9.40	10.68
10Jul	10Ja	Treasury 11¾pc 1991	98⅞	6.12	11.91	12.02
5Oct.	5Ap	Funding 5¾pc '87-91‡‡	80¼	1.9	7.27	9.46
25Ap.	25Oct.	Exch. 11pc 1991	98	20.9	11.52	11.83
22Jul	22Ja.	Treasury 12¾pc '92‡‡	104¾xd	16.12	12.21	11.93
21Aug	21Fb	Treasury 10pc 1992	95¼	15.7	10.97	11.58
25Fb	25Aug.	Exch. 12¼pc '92	106	19.7	12.11	12.03
22Mar	22S	Exchequer 13½pc '92	111¼	14.8	12.57	9.73
14Ja.	14Jul	Treasury 12½pc '93‡‡	103¼	8.12	12.12	11.97
15Mar	15S	Funding 6pc 1993‡‡	77	9.8	8.00	9.83
23May	23N	Treasury 13¾pc 1993‡‡	112½	18.10	12.46	11.99
1S	1 Mar	Treasury 14½pc '94‡‡	121	26.7	12.55	11.94
27O	27Ap	Exchequer 13½pc 1994	111¼	20.9	12.47	12.13
22F	22Aug	Exch. 12½pc 1994	107¼	16.7	12.17	12.06
17May	17N	Treasury 9pc '94‡‡	88⅞	11.10	10.36	11.01
25Jul	25Ja	Treasury 12pc '95	100¾xd	20.12	11.88	11.92
1N	1May	Gas 3pc '90/95	62½	27.9	4.85	7.91
21Ja	21Jul	Exch. 10¼pc 1995	90½xd	15.12	11.31	11.70
15May	15N	Treasury 12¾pc '95‡‡	108⅛	11.10	12.01	11.79
22Jul.	22Ja.	Treas. 14pc '96	112⅝xd	16.12	12.41	12.03
15S	15Mar	Treasury 9pc '92/96‡‡	88⅞	9.8	10.37	11.07
3N	3May	Treasury 15½pc '96‡‡	124½	27.9	12.57	11.98
15N	15May	Exchequer 13¼pc '96‡‡	112	11.10	12.08	11.78
1Ap	1Oct	Redemption 3pc 1986-96	59½	25.8	5.12	8.04
22Jul	22Ja	Treasury 13¼pc '97‡‡	109¼xd	16.12	12.05	11.79
21Aug	21F	Exchequer 10½pc 1997	96⅞	15.7	11.34	11.56
1Mar	1S	Treasury 8¾pc 1997‡‡	86½	26.7	10.52	11.18
27Ap	27Oct	Exch. 15pc 1997	123¼	28.9	12.51	12.07

Over Fifteen Years

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
1N	1May	Treasury 6¾pc '95-98‡‡	71¼	27.9	9.60	10.74
30Mar	30S	Treas. 15½pc '98‡‡	129½	24.8	12.41	11.94
20May	20N	Exch. 12pc 1998	103¼	14.10	11.78	10.73
15Jul	15Ja	Treasury 9½pc 1999‡‡	88½	9.12	10.74	11.85
26S	26Mar	Exch. 12¼pc 1999	107½	20.8	11.81	11.73
19N	19May	Treasury 10½pc 1999	94¾	13.10	11.28	11.45
14Ja	14Jul	Treas. 13pc 2000	109	8.12	11.94	11.80
22N	22May	Treas. 14pc '98-01	116¼	18.10	12.22	11.91
22Jul	22Ja	Exch. 12pc '99-02	102¼xd	16.12	11.72	11.68
25Ja	25Jul	Treas. 13¾pc 2000-03	114xd	20.12	12.03	11.88
19S	19Mar	Treasury 11½pc '01-04	100¼	13.8	11.45	11.43
14Ja	14Jul	Funding 3½pc '99-04	44¼	8.12	7.83	9.65
21May	21N	Treasury 12½pc '03-05	109½	15.10	11.62	11.53
5Ap	5Oct	Treasury 8pc '02-06‡‡	79½	1.9	10.36	10.65

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Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
Feb	Aug	Jacksons Bourne	200xd	31 12	5.0	3.1	3.6	13.0
August		James Inds. 10p	20	19 7	1.25	1.9	9.2	8.2
Nov	June	Jardine M HK$5	136	25 4	t092c	2.3	6.6	6.6
July	Jan	Jenks & Cattell	18	1 11	21.0	—	7.9	—
Oct	Apr	Johnson Clnrs.	282	6 9	♦17.7	2.3	3.9	15.7
Feb	Aug	Johnson Mthy. £1	330	13 12	10.0	1.9	4.3	14.4
Jan	July	Johnson Grp. 10p	236	17 5	4.0	6.2	2.4	9.4
Oct	June	Jourdan (T.) 10p	88	28	5.25	0.6	8.5	30.7
May	Dec	Kalamazoo 10p	42	1 11	2.5	0.9	8.8	18.1
Feb	July	Kelsey Inds.	148xd	31 12	8.0	♦	7.7	♦
Nov.	April	Kershaw (A.) 5p	130	20 9	21.75	0.5	23.9	21.3
Jan	Aug	Kleen-E-Ze Hldgs.	39	13 12	13.0	0.2	11.0	—
Jan	Aug	L.C.P. Hldg.	56	29 11	♦3.6	0.6	9.5	31.9
Oct	April	L.R.C. Int. 10p	103	16 8	13.1	2.0	4.3	17.2
Dec	May	Lawtex	28	17 81	—	—	—	—
Mar.	Oct	Lep Group 10p	375xd	31 12	17.5	1.7	6.7	11.0
Oct	July	Lilleshall 10p	23	30.4	t2.5	—	‡	—
Jan Oct		Lon. & Liv. 10p	337	29 11	12.45	2.4	1.0	49.1
Jan.	Sept	London & Mid'd	103	13 12	7.75	1.1	10.8	12.3
Jul	Dec	Lon. & Nthn. Grp.	55	15.11	t3.75	2.1	9.7	5.9
—		‡Lon Pro. Health	36	—	—	—	—	18.0
Jan.	June	Long Hmbly. 10p.	8¼	12 79	8—	—	—	—
Mar	Oct	Longton Inds.	62	6.9	1.0	—	2.3	—
Dec.	June	Low & Bonar 50p	72	18 10	t7.0	0.6	13.9	(24.3)
June	Dec.	M.Y. Dart. 10p.	18	1 11	th1.21	—	‡	—
May	Sept	M'c'rthy Ph. 20p.	208	16 8	7.0	2.0	4.8	9.6
Oct	May	Macfarlane Gp.	128	6.9	tn3.2	2.5	3.6	14.6
July	Nov.	Maclellan 20p	46	4.10	d1.43	1.4	4.4	28.2
Aug.	Mar	Macpherson (D.)	52	19 7	4.2	1.5	11.5	7.6
Oct.	Apr	Magnolia Group	44	20.9	2.3	3.9	7.5	4.5
Apr.	Oct	Man Ship Car £1	95	9 98	B—	—	—	—
Oct	Apr	Marley	52	16.8	2.25	1.5	6.2	13.0
Feb	Oct.	Marling Ind. 10p.	35	13 12	1.08	6.7	4.4	3.6
Dec.	Jun	Marshall L'ny 'A'	29	4.10	2.8	1.9	13.8	(4.6)
Jan	July	Marshall's Univ	58	7 6	0.1	—	0.2	—
Nov	May	Martin-Black.	24	5 79	—	—	—	—
—		♦Mathesons 7¼%	£115	30.6	Q7¼%	2.3	16.8	—

LEISURE—Continued

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
Jan	Aug	Intasun 10p	109xd	31 12	3.5	4.8	4.6	5.5
Jan	Dec	LWT 'A'	142	15 11	11.08	1.1	11.1	11.4
		♦Leisure Inds.	193	13 12	♦6.0	3.0	4.4	9.1
Jan	Jul	Lensmere Int 10p	118	—	0.9	2.8	1.1	40.4
June	Jan	Magnet Ag. M 10p	132xd	31 12	8.75	♦	9.5	♦
Apr	Dec	Medminster 10p.	58	1.11	4.0	0.8	9.9	18.2
		♦Nimslo Int 20c	116	—	—	—	—	—
Jan.	Sept.	Norton & Wrt. 10p	68	13 12	td2.0	0.5	4.2	—
—		♦Owners Abroad	24½	—	u0.35	4.6	2.0	15.2
June	Nov	Phonax (Lon.)	45	30 4	‡3.5	3.8	‡	2.9
		♦Apple Dec. Sl. 10p	140	—	ud1.5	2.1	1.5	34.6
Sept.	Apr	Pleasurama 5p.	455	28	7.5	♦	2.4	♦
—		♦Radio City 'A' NV	112xd	31 12	g5.6	♦	7.1	♦
July	Jan	Riley Leisure 10p	140	13 12	24.1	1.7	4.2	20.2
Apr.	Nov.	Saga Hols. 20p.	102	1.11	d3.73	—	5.2	—
May	Dec.	Samuelson 20p.	430	15.2	M12.0	♦	4.1	♦
Dec	May	Scott. TV 'A' 10p	98	18.10	t7.8	3.8	10.2	3.6
—		‡SelecTV 10p..	28	—	—	—	—	—
—		TSW 5p	15½	1.11	0.9	3.3	8.3	5.2
—		♦TVS N-Vtg 10p.	30	—	—	—	—	—
Oct	Apr	Trident TV 'A' 10p	75	19.7	4.26	2.1	8.1	7.6
		♦21st Century Dist	180	—	—	—	—	—
April	Sept	Webb (Jos.) 5p.	15½	28	d0.51	2.2	4.7	11.1
Apr.	Nov.	Zetters 5p	80	20.9	2.75	2.8	4.9	10.4

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Dividends Paid	Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
—	B.L. 50p.	21	—	—	—	—	—
—	♦Coleman Milne 10p	54	20 9	a1.5	3.2	4.0	(8.7)
Mr.Je.S.D.	Gen. Mts. Units	205	28.12	Q12c.	—	3.7	—
Nov	Honda Motor Y50.	271	11 81	Q10%	8.4	0.4	28.5
—	Lotus Car 10p.	29	9.11	—	—	—	—
—	♦Reliant Motor 5p	21xd	31 12	—	—	—	5.6

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NEW YORK

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HONG KONG

JAPAN

ITALY

NORWAY

AUSTRALIA

FRANCE

SINGAPORE

SOUTH AFRICA

SWEDEN

SWITZERLAND

SPAIN

AUSTRIA

BELGIUM/LUXEMBOURG

GERMANY

DENMARK

Indices

NEW YORK — DOW JONES

	Jan. 14	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 7	1982-83 High	1982-83 Low	Since Cmpil'tn High	Since Cmpil'tn Low
● Industr'ls	1080.85	1073.93	1083.61	1083.79	1092.35	1076.07	1092.35 (10/1/83)	776.92 (12/8)	1092.35 (10/1/83)	41.22 (2/7/32)
H'me Bnds	—	71.99	71.94	71.90	71.43	71.42	71.99 (13/1/83)	55.67 (12/2)	—	—
Transport	467.68	460.15	475.14	471.01	469.45	460.37	475.14 (12/1/83)	292.12 (12/8)	475.14 (12/1/83)	12.32 (8/7/32)
Utilities	124.65	124.60	124.58	124.55	124.63	124.49	124.68 (18/1/83)	103.22 (30/7)	163.32 (20/4/69)	10.5 (28/4/42)
Trading Vol 000's	86,480	77,030	109,850	98,250	101,890	127,230	—	—	—	—

● Day's high 1089.04 (1091.06) low 1070.36 (1068.80)

	Jan. 7	Dec. 31	Dec. 23	Year ago (Approx)
Indust'l div. yield %	5.03	5.17	5.18	6.38

STANDARD AND POORS

	Jan. 14	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 7	1982-83 High	1982-83 Low	Since Cmpil'tn High	Since Cmpil'tn Low
‡Indust'ls	164.61	165.79	164.52	163.47	164.72	162.93	165.79 (13/1/83)	114.09 (12/8)	164.72 (10/1/83)	3.52 (30/6/32)
§Comp's'te	146.65	147.77	146.69	145.78	146.78	145.18	147.77 (13/1/83)	102.42 (12/8)	146.78 (10/1/83)	4.407 (1/6/32)

	Jan. 5	Dec. 29	Dec. 22	Year ago (approx)
‡Indust'l div. yield %	4.50	4.52	4.61	5.50
Indust'l P/E ratio	10.94	10.9	10.69	8.04
Long Gov. Bond yield	10.43	10.44	10.45	14.15

N.Y.S.E. ALL COMMON

Jan. 10	Jan. 13	Jan. 12	Jan. 11	1982-83 High	1982-83 Low
84.67	84.16	84.65	84.11	84.67 (14/1/83)	58.80 (12/8)

Rises and Falls	Jan. 14	Jan. 13	Jan. 12
Issues Traded	1,960	1,959	1,947
Rises	995	678	1,049
Falls	584	908	543
Unchanged	381	373	355
New Highs	191	125	301
New Lows	1	1	0

MONTREAL

	Jan. 14	Jan. 13	Jan. 12	Jan. 11	1982-83 High	1982-83 Low
Industrials	358.17	357.02	360.95	364.85	366.42 (10/1/83)	249.68 (21/6)
Combined	342.02	341.51	345.66	346.97	348.75 (10/1/83)	237.27 (21/6)
TORONTO Composite	2073.2	2063.8	2081.3	2088.3	2110.3 (10/1/83)	1352.2 (7/7)

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
ATT	2,055,500	67	+1¼
Rowan	1,201,100	13½	+1¼
Chrysler	1,082,100	17	+¼
Amax	958,500	25	+¼
Eastman Kodak	925,600	81½	−1⅛
MGM Film	880,300	9½	+1
Itek	873,800	47¼	+14¾
IBM	873,800	99⅞	+½
Tandy	851,200	52¼	+1⅞
Exxon	834,500	30½	—

	Jan. 14	Jan. 13	Jan. 12	Jan. 11	1982-83 High	1982-83 Low
AUSTRALIA						
All Ord. (1/1/80)	529.8	530.9	531.1	530.8	595.5 (4/1/82)	443.2 (8/7)
Metal & Minls. (1/1/80)	465.9	462.7	462.3	465.7	465.9 (14/1/83)	289.0 (8/7)
AUSTRIA						
Credit Aktien (2/1/62)	49.92	50.11	50.18	50.56	56.96 (4/11)	47.33 (28/10)
BELGIUM						
Belgian SE (31/12/63)	103.16	102.11	102.21	102.14	105.89 (22/9)	88.42 (20/1/82)
DENMARK						
Copenhagen SE (3/1/83)	102.96	102.98	102.34	102.43	104.38 (7/1/83)	100.00 (3/1/83)
FRANCE						
CAC General (31/12/81)	102.80	102.1	101.0	101.6	111.6 (12/6)	95.9 (12/8)
Ind Tendance (31/12/82)	104.9	105.2	103.8	103.7	105.2 (15/1/83)	98.0 (3/1/83)
GERMANY						
FAZ-Aktien (31/12/58)	247.55	247.53	251.84	254.35	257.55 (5/1/83)	214.08 (17/8)
Commerzbank (Dec 1953)	745.5	745.9	758.8	766.6	777.8 (5/1/83)	669.2 (17/8)
HOLLAND						
ANP-CBS General (1970)	106.2	107.3	106.7	107.3	107.8 (11/1/83)	84.0 (8/1/82)
ANP-CBS Indust (1970)	91.0	92.2	91.7	93.4	93.4 (11/1/83)	68.2 (4/1/82)
HONG KONG						
Hang Seng Bank (31/7/64)	868.54	870.32	859.89	851.08	1445.82 (12/1/82)	676.30 (2/12)
ITALY						
Banca Comm Ital. (1972)	168.30	166.07	162.60	161.29	212.68 (15/3)	147.28 (22/7)
JAPAN**						
Dow Average (16/5/49)	8066.53	8039.06	8039.85	8073.63	8210.02 (8/1/83)	6849.78 (1/10)
Tokyo New SE (4/1/68)	592.86	592.95	588.89	593.08	602.17 (8/1/83)	511.52 (17/8)
NORWAY						
Oslo SE (4/1/83)	115.98	114.67	110.82	109.67	115.98 (14/1/83)	99.01 (4/1/83)
SINGAPORE						
Straits Times (1966)	757.70	748.41	741.15	740.16	819.76 (6/1/82)	567.07 (16/8)
SOUTH AFRICA						
Gold (1958)	1042.6	1052.0	1031.1	1030.2	1052.0 (13/1/83)	335.5 (8/7)
Industrial (1958)	796.5	793.2	781.9	770.4	796.5 (14/1/83)	507.5 (28/6)
SPAIN						
Madrid SE (31/12/82)	99.42	98.76	98.74	98.32	100.00 (31/12/82)	98.32 (11/1/83)
SWEDEN						
Jacobson & P. (1/1/58)	980.6	974.65	966.15	956.95	980.6 (14/1/83)	563.32 (29/4)
SWITZERLAND						
Swiss Bank Cpn. (31/12/58)	296.9	297.5	297.7	300.2	301.7 (7/1/83)	257.8 (17/8)
WORLD						
Capital Intl. (1/1/70)	—	160.2	160.2	160.2	162.9 (10/1/83)	118.4 (13/8)

(**) Saturday Jan 8: Japan Dow 8210.02. TSE 602.17.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

Financial Rand US$0.77½ (Discount of 17¼%)

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

FINANCIAL TIMES
Eurobond Quotations and Yields

The Association of International Bond Dealers

at 31st December 1982

Eurobonds in December

BY OUR EUROMARKETS STAFF

BOTH new-issue and trading activity in the international bond markets slowed in December as the Christmas and New Year holidays approached. A little more than $1bn new fixed rate paper was launched, compared with $2.25bn in November.

The optimism of the past few months, regarding the downward trend in interest rates, remained, as the six-month Eurodollar deposit rate fell from 10¾ per cent at the beginning of December, to 9⅞ per cent on the 30th, the year's low.

The U.S. Federal Reserve Board made another cut in the Discount Rate half-way through the month. This, from 9 per cent to 8½ per cent, was the second fall in a month. This was good news for the market, but the cut came when there was little activity in the run-up to Christmas, so it failed to make a dramatic impact. Prices in the Eurodollar sector still closed ½ point up on the day, however, while the overall price rise in the secondary market during December was about 1½ points.

Other news in the middle of the month was the multi-million dollar forgery involving the zero-coupon bonds issued last January for J. C. Penney, the U.S. retail group. Trading in zero-coupon bonds was not greatly affected by the discovery, however.

Bank borrowing dominated Eurodollar new-issue activity during December. First to the market, on the 1st, was Sanwa Bank, followed by Lloyds Bank and the Swiss Bank Corporation, which became the last of the big three Swiss banks to borrow in the Eurodollar sector in recent months.

Deutsche Bank, Société Générale de Banque of Belgium, and Commerzbank all tapped the Eurodollar market for funds in December. As is now usual with bank bonds, these issues involve interest rate swaps with various unnamed counterparties, which take on the fixed rate debt, and the banks obtain cheap floating rate finance in return.

In the floating rate sector itself, bank names were also prominent. Two French banks, Banque Nationale de Paris and Banque Française du Commerce Extérieur, launched bonds of $150m and $500m respectively.

The D-mark sector continued to be buoyed up throughout December by the weakness of the dollar, and prices rose by almost three points on the month. Interest rates here also continued their downward direction as the Bundesbank cut both the Lombard and Discount rates again early in December by 1 per cent. The six-month Euro D-mark deposit rate fell to 5⅞ per cent at the end of the month—a drop of nearly 1 per cent since November.

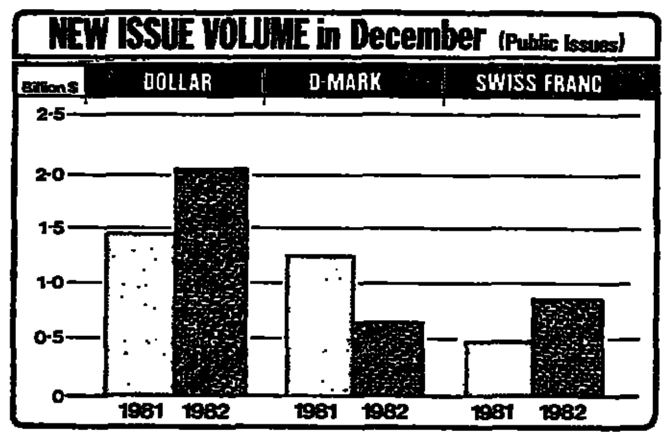
This market continued to absorb the remaining new issues on the six-week calendar set the previous month. McDonald's Corporation launched a DM 100m, 10-year bond through Bayerische Vereinsbank with a 7¼ per cent coupon, the lowest seen in this sector for more than two years. Despite this, the popularity with continental investors of well-known U.S. corporate borrowers ensured the immediate success of the issue.

Later in the month, Deutsche Bank brought another favourite, Australia, to the market. This borrower was able to obtain an astonishingly low 6¾ per cent coupon on its DM 200m, 10-year paper, this being the lowest coupon in this sector for more than three years.

Australia also tapped the Dutch guilder market during December to raise Fl 200m in an 8¾ per cent, 15-year, private placement arranged by Algemene Bank Nederland. This was the second part of a guilder borrowing operation. In November, Australia had sought Fl 200m in a public issue.

The weakness of the dollar and the continued downward trend in interest rates were also the dominant factors in the Swiss franc deposit rates falling to their lowest level of the year, 3¼ per cent, in December, while prices rose by more than one point on the month. Japanese borrowers were again prominent in this market, especially Japanese electrical power companies.

There was some new-issue activity again in the European currency unit (ECU) sector. Ireland made its debut in this market with an ECU 30m seven-year bond, priced to yield 12.66 per cent. As the year closed, Banque Bruxelles Lambert and BNP brought a four-tranche ECU 100m issue for Caisse Nationale des Télécommunications (CNT), due to be priced in January. This paper, carrying the guarantee of the French Government, is the largest single amount to be raised by a fixed-rate bond in the ECU sector.



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The table of quotations and yields gives the latest rates available on December 31 1982.

This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete.

All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will take in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY DATASTREAM INTERNATIONAL LTD

Issued/Est. O/S (Amt)	Year of Issue/Issue Price	Borrower Coupon Maturity	Price	Yield to Maturity/Yield to Avge Life	Current Yield
US DOLLARS—ALGERIA					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US DOLLARS—ARGENTINA					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US DOLLARS—AUSTRALIA					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US DOLLARS—AUSTRALIA (CONTINUED)					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US DOLLARS—BELGIUM					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US DOLLARS—BRAZIL					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US DOLLARS—CANADA					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US DOLLARS—CANADA (CONTINUED)					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US DOLLARS—COLUMBIA					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US DOLLARS—DENMARK					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US DOLLARS—DENMARK (CONTINUED)					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US DOLLARS—FRANCE					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

US DOLLARS–FRANCE (CONTINUED)

Amt issued ($M) / Amt outst ($M)	Year of issue / Issue price	Borrower / Coupon Maturity	Price	Yield to maturity / to average life	Current yield
30 / 24.0	1976 / 100.00	NATIONALE DES AUTO P / 8.50 15/11/1986	89	12.21 / 14.31	9.55
75	1976 / 100.00	NATIONALE DES AUTOROUTES / 9.00 1/ 5/1986	93 3/8	11.35	9.61
50 / 45.0	1976 / 100.00	NATIONALE DES AUTOROUTES / 9.25 9/ 9/1991	89 5/8	11.16 / 12.36	10.32
45	1980 / 100.00	NATIONALE DES AUTOROUTES / 12.75 1/ 5/1995	100 1/4	12.68	12.72
75	1982 / 100.00	NATIONALE DES AUTOROUTES / 15.25 15/ 6/1990	108 3/4	13.75	14.02
75 / 75.0	1982* / 100.00	NATIONALE DES AUTOROUTES / 15.875 15/ 3/1997	112	13.87 / 13.56	14.17
20 / 8.0	1971 / 98.00	NATIONALE DES TELECOMM / 8.00 1/ 3/1986	86 1/4	13.46 / 10.45	9.29
75 / 75.0	1977 / 99.50	NATIONALE DES TELECOMM / 8.25 1/10/1989	85 1/4	11.49 / 12.67	9.68
100	1976 / 100.00	NATIONALE DES TELECOMM / 8.875 15/ 2/1984 S	98 5/8	10.44	9.20
75	1978 / 99.50	NATIONALE DES TELECOMM / 9.00 15/ 5/1993	90 5/8	10.51	9.93
150	1979 / 99.75	NATIONALE DES TELECOMM / 9.50 15/ 6/1986	94 3/4	11.37	10.03
125	1980 / 99.75	NATIONALE DES TELECOMM / 11.125 1/ 6/1990 S	96 5/8	12.17	11.84
20 / 4.1	1971 / 98.50	CIMENTS LAFARGE / 8.75 25/ 3/1986	84 1/2	15.11 / 17.99	10.36
100	1982* / 100.00	COMPAGNIE FIN DE PARIBAS / 13.875 15/ 9/1989	103 1/2	13.02	13.41
35	1976 / 99.50	COMP NAT DU RHONE / 8.75 20/10/1986	88	12.91	9.94
193	1982* / 85.23	CREDIT FONCIER DE FRANCE / 12.50 30/ 7/1992	98 1/2	12.75	12.69
100 / 80.0	1976 / 94.00	CREDIT NATIONAL / 8.50 15/12/1986	92 1/4	11.02 / 12.39	9.21
50	1980 / 100.00	CREDIT NATIONAL XW / 13.75 1/ 1/1986	104 1/8	12.03	13.21
60	1975 / 99.50	E.P.A.P. / 9.75 15/11/1985	91 5/8	13.42	10.64
20 / 13.6	1971 / 99.00	ELECTRICITE DE FRANCE / 8.50 1/ 5/1986	88 1/2	12.92 / 14.92	9.60
50	1977 / 99.75	ELECTRICITE DE FRANCE / 8.50 1/ 6/1987 S	90 5/8	11.56	9.60
100	1976 / 100.00	ELECTRICITE DE FRANCE / 8.875 15/ 1/1983 S	100 1/8	5.58	9.06
100	1979 / 100.00	ELECTRICITE DE FRANCE / 9.625 15/ 4/1986	95 1/8	11.44	10.12
125	1980 / 100.00	ELECTRICITE DE FRANCE / 10.00 1/ 7/1983	93 1/4	11.70	10.72
100	1980 / 100.00	ELECTRICITE DE FRANCE / 11.25 15/ 5/1990	96 1/4	12.01	11.69
150	1982* / 100.00	ELECTRICITE DE FRANCE / 12.75 27/10/1987	102 5/8	11.97	12.42
75	1981 / 95.25	ELECTRICITE DE FRANCE / 13.00 15/ 6/1984	102 5/8	10.83	12.67
125	1981 / 100.00	ELECTRICITE DE FRANCE / 13.00 15/ 1/1988	103	12.16	12.62
100	1982* / 99.50	ELECTRICITE DE FRANCE WW / 14.375 15/ 4/1989	100 1/8	14.29	14.36
100	1982* / 99.50	ELECTRICITE DE FRANCE XW / 14.375 15/ 4/1989	106 5/8	12.74	13.48
75	1977 / 100.00	ELF AQUITAINE / 8.25 15/ 4/1985	93	11.87	8.87
150	1982* / 100.00	ELF AQUITAINE / 12.00 19/11/1990	97 1/8	12.58	12.36
20 / 4.7	1965 / 98.25	FRANCAISE DES PETROLES / 6.00 15/10/1985	83 1/2	13.45 / 17.23	7.19
25 / 7.0	1976 / 99.75	G.T.S. / 9.25 15/ 4/1983	98 3/4	13.49	9.37
20 / 4.0	1970 / 99.50	GAZ DE FRANCE / 9.00 15/ 3/1985	92 7/8	12.86 / 15.77	9.69
175 / 175.0	1982* / 99.50	GAZ DE FRANCE / 12.25 3/ 5/1993	19 5/8	12.29 / 12.30	12.30
80	1981 / 100.00	GAZ DE FRANCE / 13.50 15/ 1/1986	104	11.85	12.98
40 / 40.0	1981 / 99.00	LAFARGE COPPEE / 15.50 15/ 4/1989 S	102	15.34 / 15.36	15.77
20 / 9.6	1971 / 100.00	LE NICKEL / 9.00 15/ 5/1986	86	16.48 / 18.51	10.47
20 / 9.2	1974 / 98.00	MARSEILLE,CITY OF RA1 / 10.25 19/12/1986	88	14.47 / 15.72	11.65
50 / 40.0	1973 / 98.50	MICHELIN / 7.50 15/ 2/1988	75	14.78 / 15.84	10.00
75 / 60.0	1976 / 100.50	MICHELIN / 9.25 15/ 3/1986	90 7/8	12.86 / 13.11	10.18
40	1976 / 99.75	MICHELIN O'SEAS / 8.50 15/ 9/1983	97 7/8	11.66	8.68
60 / 60.0	1976 / 99.25	MICHELIN O'SEAS / 9.25 15/ 9/1988	90 1/2	11.59 / 11.96	10.22
125 / 125.0	1979 / 99.25	MICHELIN / 10.00 17/ 8/1996	80 3/4	13.32 / 13.84	12.38
25 / 6.3	1970 / 99.50	PECHINEY / 9.00 15/12/1985	89 1/2	13.53 / 15.24	10.06
40 / 36.0	1976 / 99.00	PORTS AUTONOMES / 9.00 15/11/1991	88 1/8	11.17 / 12.37	10.21
10	1976 / 100.00	RHONE-POULENC P / 8.75 1/ 9/1983	97 3/4	12.28	8.95
30 / 6.0	1967 / 98.50	S.N.C.F. / 6.50 15/ 6/1985	87	12.97 / 17.24	7.47
45	1977 / 100.00	S.N.C.F. / 8.25 15/12/1984	95 1/8	11.15	8.67
100	1976 / 99.25	S.N.C.F. / 8.75 10/ 4/1983 S	99	12.82	9.03
50 / 46.0	1977 / 99.50	S.N.C.F. / 9.00 1/12/1992 S	86	11.71 / 13.06	10.74
75 / 75.0	1982* / 99.75	S.N.C.F / 11.50 15/11/1992	17 1/2	11.98 / 12.10	11.83
50	1980 / 100.00	S.N.C.F. / 12.375 15/ 5/1985	101 3/8	11.60	12.21
75 / 75.0	1981 / 100.00	S.N.C.F. / 13.00 15/ 2/1991	101 5/8	12.45 / 12.62	12.79

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ISSUED AMT. (MILLIONS)	YEAR OF ISSUE/ ISSUE PRICE	BORROWER/ COUPON MATURITY	PRICE	YIELD TO MATURITY/YLD. TO AVGE. LIFE	CURRENT YIELD

US DOLLARS-UNITED STATES (CONTINUED)

US DOLLARS-SUPRANATIONAL (CONTINUED)

US DOLLARS-ZERO COUPON

US DOLLARS-FLOATING RATE (CONTINUED)

CANADIAN DOLLARS (CONTINUED)

AUSTRALIAN DOLLARS

CANADIAN DOLLARS

CANADIAN DOLLARS (CONTINUED)

Amount issued (millions)	Year of issue / Issue price	Borrower / Coupon, maturity	Price	Yield to maturity	Current yield
35	1976 100.50	PANCANADIAN PETROL 9.75 15/11/1983	97 1/4	13.21	10.03
65	1981 100.00	PANCANADIAN PETROL 16.50 15/12/1988	108 7/8	14.18	15.15
60	1982* 100.00	QUEBEC HYDRO 14.00 15/11/1992	107	12.70	13.08
50	1982* 100.00	QUEBEC HYDRO (MAR) 16.50 15/ 3/1989	109 1/4	14.12	15.10
50	1982* 100.00	QUEBEC-HYDRO (MAY) 16.50 15/ 5/1989	109 5/8	14.05	15.05
15	1975 100.00	QUEBEC, CITY OF 10.00 15/11/1995	95	10.73	10.53
15	1976 100.00	QUEBEC, CITY OF 10.75 15/10/1996	95 1/4	11.49	11.29
25	1982* 100.00	QUEBEC, CITY OF 16.50 15/ 2/1987	105 1/4	14.67	15.68
50	1974 100.00	QUEBEC, PROVINCE OF 10.25 15/ 4/1986	95 1/4	12.04	10.76
50	1982* 100.00	QUEBEC, PROVINCE OF 16.50 15/ 4/1989	108 3/4	14.22	15.22
20	1982* 100.00	QUEBEC, PROVINCE OF 16.75 1/ 4/1988	109 1/8	14.23	15.35
50	1982* 99.25	QUEBEC, PROVINCE OF 17.00 1/ 3/1988	109 1/4	14.31	15.56
50	1981 100.00	QUEBEC, PROVINCE OF 17.50 15/11/1987	109 3/4	14.53	15.95
50	1981 100.00	QUEBEC, PROVINCE OF 18.00 15/10/1987	111	14.59	16.22
15	1977	QUEBEC URBAN COMMUNITY	90	14.40	10.56

EUROGUILDERS (CONTINUED)

Amount issued (millions)	Year of issue / Issue price	Borrower / Coupon, maturity
75	1977 99.75	AUSTRIA, REPUBLIC OF 7.25 15/11/1984
75	1978 100.00	BANK MEES & HOPE 7.00 1/ 6/1983
75	1980 100.00	BANK MEES & HOPE 10.00 1/ 8/1985
75	1982* 100.00	BANK MEES & HOPE 10.00 1/ 5/1987
75	1982* 100.00	BANK MEES & HOPE 10.00 1/10/1987
60	1981 99.50	BELGELECTRIC FIN 12.25 15/11/1986
75	1979 99.50	BRAZIL, REPUBLIC OF 7.50 1/ 7/1983
75	1978 99.00	C.F.E. - MEXICO 7.75 1/ 8/1983
60	1976 99.50	EERSTE NEDER CEMENT 8.50 15/ 4/1983
150	1981 99.75	EURATOM 11.50 1/ 6/1988
50	1982* 100.00	EUROFIMA 10.50 1/ 4/1989
60	1976 99.75	EUROPEAN COAL & STEEL 8.00 15/ 2/1983
75	1978 99.50	EUROPEAN INVESTMENT BANK 7.25 1/10/1985
75	1976 99.75	EUROPEAN INVESTMENT BANK 8.00 15/ 4/1983
75	1977 100.00	EUROPEAN INVESTMENT BANK 8.00 15/ 3/1984

31st DECEMBER 1982

WestLB Euro-Deutschmarkbond Quotations and yields

Advertisement

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
8% ADELA 76/83	95.75	8.36	26.93	0.25	due 1. 4.83
7¾% African Dev. Bank 79/86	93.00	8.33	10.25	3.42	1. 5.86
8% African Dev. Bank 79/87	95.00	8.42	9.32	4.83	1.11.87
9% Air Canada 82/92	106.50	8.45	7.99	9.63	19. 8.92
6½% Airport Paris 69/84 PP (G)	97.75	6.65	8.57	1.17	1. 3.75—84D
8¼% Airport Paris 82/92	100.75	8.19	8.12	7.88	15.12.88—92S
7¾% AKZO 76/83 PP	99.50	7.79	8.82	0.42	1. 6.83
6% AKZO 78/84 PP	96.50	6.22	9.04	1.25	1. 4.84
6½% AKZO 78/86 PP	94.00	6.91	8.74	3.17	1. 3.86
9% AKZO 80/90	101.75	8.85	8.55	5.29	15. 5.86—90S
9½% AKZO 82/89	104.75	9.07	8.50	6.50	1. 7.89
8¼% Alusuisse Int'l 76/83	100.50	8.20	7.04	0.58	1. 8.81—83D
5½% American Expr. Int'l 79/87	94.00	5.85	7.27	4.04	15. 1.87
6¾% AMEX Int'l 77/84 PP	98.75	6.84	7.80	1.25	1. 4.84
7¾% ARBED Finance 76/83 PP	95.50	8.12	13.74	0.83	1.11.83
6¾% ARBED Finance 77/87	78.25	8.63	13.58	4.42	1. 6.83—87S
7½% ARBED Finance 79/86 PP	85.00	8.82	12.75	3.75	1.10.86
9% ARBED Finance 80/87 PP	87.75	10.26	12.76	4.42	1. 6.87
6¾% Ardal-Sunndal 77/89 PP	94.50	7.14	8.70	3.33	1. 7.82—89D
10¾% Ardal-Sunndal 81/89	106.00	10.14	9.45	6.50	1. 7.89
7½% Argentine 77/84	90.10	8.32	14.22	1.75	1.10.84
6½% Argentine 78/85	82.00	7.93	17.08	2.17	1. 3.85
6½% Argentine 78/88	73.50	8.84	16.68	3.68	1.11.84—88D
7½% Argentine 79/89	78.25	9.58	12.67	6.33	1. 5.85—89S
7% Asian Dev. Bk. 69/84	102.25	6.85	5.03	1.16	1. 9.75—84S
7¾% Asian Dev. Bk. 76/83 PP	99.85	7.76	8.14	0.25	due 1. 4.83
7% Asian Dev. Bk. 77/85	100.00	7.00	6.98	2.25	1. 4.85
5½% Asian Dev. Bk. 78/88	90.25	6.09	7.79	5.33	1. 5.88
7¼% Asian Dev. Bk. 79/89	94.75	7.65	8.30	6.59	1. 7.89
8⅜% Asian Dev. Bk. 80/90	100.00	8.38	8.37	7.83	1.11.90
10% Asian Dev. Bk. 80/90	105.00	9.52	9.02	7.33	1. 5.90
10% Asian Dev. Bk. 81/91	105.00	9.52	9.10	8.25	1. 4.91
10¾% Asian Dev. Bk. 81/89	108.75	9.89	8.98	6.79	15.10.89
9¼% Asian Dev. Bk. 82/92	104.25	8.87	8.56	9.29	1. 4.92
9¼% Asian Dev. Bk. 82/92	104.75	8.83	8.49	9.62	15. 8.92
8¼% Asian Dev. Bk. 82/92	99.50	8.29	8.32	9.87	15.11.92
7½% Aumar 73/86 (G)	95.50	7.85	9.46	2.88	1. 2.79—86D
9% Aumar 76/84 (G)	102.75	8.76	6.31	1.11	15. 8.77—84S
7¾% Aumar 77/84 (G)	99.25	7.81	8.25	1.50	1. 7.84
6¾% Australia 68/83	100.50	6.72	5.94	0.58	1. 8.74—83S
6½% Australia 69/84	100.00	6.50	6.60	1.08	1. 2.75—84S
7¼% Australia 69/84	104.35	6.95	3.89	1.33	1.11.75—84S
7% Australia 72/87	104.25	6.71	4.92	2.21	1. 2.78—87S
7¼% Australia 76/83	99.95	7.25	7.34	0.17	due 1. 3.83
5¾% Australia 77/89	94.00	6.12	6.87	6.83	1.11.85—89S
6% Australia 78/88	98.50	6.09	6.31	5.67	1. 9.88
8% Australia 80/87 PP	103.75	7.71	7.07	4.92	1.12.87
9¼% Australia 80/90	111.75	8.39	7.39	8.12	1. 3.90
8⅛% Australia 82/91	106.00	7.67	7.02	7.17	15. 2.91
9⅜% Australia 81/91	112.25	8.35	7.45	8.98	15.12.91
7¾% Australia 82/92	104.50	7.42	7.09	9.82	1.11.92
6¾% Austr. Ind. Dev. Corp. 72/87	97.75	6.91	7.67	2.76	1.11.78—87D
8½% Rep. of Austria 68/83	99.75	8.52	7.61	0.25	due 1. 4.75—83S
9% Rep. of Austria 75/83	100.00	9.00	8.84	0.08	due 1. 2.83
8¾% Rep. of Austria 76/83 PP	100.00	8.75	8.47	0.25	due 1. 4.79—83D
8½% Rep. of Austria 76/87	101.50	8.37	7.77	2.43	1. 5.78—87S
7¾% Rep. of Austria 76/86	100.25	7.73	7.55	1.79	2. 5.83—86S
6¾% Rep. of Austria 77/85	99.75	6.77	6.85	2.25	1. 4.83—85S
7% Rep. of Austria 77/87 PP	97.25	7.20	8.29	2.45	1. 1.83—87D
6¾% Rep. of Austria 77/87 PP	96.00	7.03	8.56	2.53	1. 2.83—87D
6% Rep. of Austria 77/87 PP	92.75	6.47	8.74	3.11	1. 3.84—87D

WestLB SD Certificates (Schuldschein-Index)
5 years maturity: 7.85%

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
5¾% Rep. of Austria 78/88 PP	92.50	6.22	8.31	3.46	15. 7.84—88D
5¾% Rep. of Austria 78/90	89.75	6.41	7.52	7.83	1.11.86—90D
6¾% Rep. of Austria 79/84 PP	97.00	6.96	8.72	1.67	1. 9.84
7% Rep. of Austria 79/87 PP	95.00	7.37	8.32	4.67	1. 9.87
6¼% Rep. of Austria 79/89 PP	93.00	6.72	8.67	3.46	1. 2.84—89D
7¼% Rep. of Austria 79/89 PP	94.00	7.71	8.45	6.67	1. 9.89
8¼% Rep. of Austria 80/86 PP	100.75	8.19	7.97	3.47	20. 6.86
8¼% Rep. of Austria 80/88 PP	100.75	8.19	8.06	5.47	20. 6.88
8¼% Rep. of Austria 80/90 PP	100.75	8.19	8.10	7.47	20. 6.90
7¾% Rep. of Austria 80/90 PP	99.00	7.83	7.92	7.62	15. 8.90
8¼% Rep. of Austria 80/92	101.50	8.13	7.96	7.14	1.10.87—92D
8⅜% Rep. of Austria 82/92	102.50	8.17	7.98	9.42	1. 6.92
7% Autopistas Cataluna 78/86 PP	93.50	7.49	10.70	2.04	16. 1.85
7¼% Autopistas Espanola 69/84 (G)	100.00	7.25	7.38	1.50	1. 7.73—84S
8% Autopistas Espanola 71/86 (G)	98.00	8.16	9.22	2.19	1.10.77—86D
6¾% Autopistas Espanola 72/87 (G)	94.15	7.17	9.31	2.88	1.10.78—87D
7¼% Autopistas Espanola 78/85 PP (G)	96.75	7.49	8.94	2.17	1. 3.85
8⅛% Bass Contin. Fin. 82/92	100.10	8.12	8.10	8.76	15.10.9092
7¼% Banco N. Desarrollo 78/86 (G)	79.50	9.12	15.96	3.17	1. 3.86
8% Banco N. Obras 71/86 (G)	94.40	8.47	10.02	3.83	1.11.77—86S
7% Banco N. Obras 77/84 (G)	85.25	8.21	17.41	1.75	1.10.84
5¾% Bk. America Overs. Fin. 78/90	92.00	6.25	7.11	7.83	1.11.90
6% Bank of Tokyo 79/86 PP	95.50	6.28	7.69	3.08	1. 2.86
8⅜% Bank of Tokyo 82/87 PP	103.00	8.13	7.53	4.42	1. 6.87
7½% Banque Ext. Algerie 77/83	98.75	7.59	9.14	0.79	15.10.81—83D
7¼% Banque Ext. Algerie 78/85	97.00	7.47	9.10	1.80	1.11.83—85D
7¼% Banque Nat. Algerie 78/84	99.00	7.32	13.30	0.17	due 1. 3.83
10¾% Banrural 82/90	82.00	13.11	14.89	7.37	15. 5.90
6¾% Barclays Overs. Inv. 78/88	95.90	7.04	7.58	6.33	1. 5.89
8⅜% Barclays Overs. Inv. 82/94	103.50	8.09	7.82	9.34	1. 6.90—94
7½% BEC Finance 76/83 PP	100.00	7.50	7.45	0.83	1.11.83
8% Beecham Fin. 76/83	100.50	7.96	7.31	0.83	1.11.83
8⅛% Beecham Fin. 82/92	103.25	7.87	7.63	9.75	1.10.92
10½% Belgelectric Fin. 81/89	107.50	9.77	8.89	8.42	1. 6.89
11% Belgelectric Fin. 81/91	109.65	10.03	9.32	8.75	1.10.91
9½% Beneficial Overs. 82/89	103.75	9.16	8.69	6.32	2. 5.89
~~8¾% Bergen 75/85~~	~~107.25~~	~~8.16~~	~~3.05~~	~~1.32~~	~~1. 5.81—85D~~
7¼% Bergen 77/89	98.50	7.36	7.83	2.93	1. 2.81—89D
8¼% BFCE 76/83 (G)	101.00	8.17	6.03	0.50	1. 7.81—83S
8¼% BFCE 76/84 (G)	100.90	8.18	7.20	0.99	1. 7.82—84S
7% BFCE 77/87 (G)	97.75	7.16	7.66	4.09	1. 2.83—87S
5¾% BFCE 78/88 (G)	95.00	6.05	6.95	5.04	15. 1.86—88S
7¾% BFCE 80/87 (G)	99.75	7.77	7.83	4.04	15. 1.87
8⅛% BFCE 80/95 (G)	99.75	8.15	8.16	12.04	15. 1.88—95S
9¼% BFCE 82/89 (G)	104.50	8.85	8.32	6.58	1. 8.89
9⅛% Black & Decker 82/89	105.75	8.63	7.96	6.67	1. 9.89
8½% BNDE 77/87	98.75	8.61	8.13	2.19	1. 4.83(82-87)
6¾% BNDE 78/86	77.75	8.68	16.25	3.17	1. 3.86
9¼% BNDE 80/86	82.25	11.25	14.05	5.50	1. 7.88S
6½% Borregaard 77/84 PP	97.00	6.70	8.38	1.75	1.10.84
8½% Bowater Int. Fin. 82/89	102.30	8.31	8.01	6.42	1. 6.89
8½% Brascan Int'l. 73/88	104.25	8.15	7.01	3.34	1.10.79—88S
6¾% Brazil 72/87	88.00	7.67	10.03	4.75	1.10.78—87S
8¾% Brazil 76/86	93.00	9.41	11.10	3.75	1.10.82(80-86)
7¾% Brazil 77/84	92.60	8.37	14.12	1.33	1. 5.84
6¾% Brazil 78/85	86.75	7.78	14.55	2.09	1. 2.85
7¼% Brazil 78/87	78.50	9.24	14.74	4.00	1. 1.87
8% Brazil 79/87	79.40	10.08	14.41	4.58	1. 8.87
9¼% Brazil 80/88	83.75	11.04	13.85	5.42	1. 6.88
6¾% Brenner 68/83 (G)	99.25	6.80	8.24	0.58	1. 8.74—83S
5¾% Bruxelles-Lambert 77/84 PP	97.00	5.93	7.45	1.98	15.12.84
8½% Burmah Oil 70/85	101.00	8.42	8.04	1.81	1.11.76—85D
4¾% Canada 78/83	99.00	4.80	7.36	0.39	20. 5.83
5% Canada 78/84	98.25	5.09	6.36	1.36	10. 5.84
8½% Canada 82/89	109.50	7.76	6.60	6.33	30. 4.89
6% Carlsberg-Tuborg 77/87 PP	91.25	6.58	8.23	4.92	1.12.85—87D
8½% C.C.C.E. 75/85 (G)	101.75	8.35	6.92	1.23	1. 4.81—85D
8½% C.C.C.E. 76/86 (G)	101.50	8.37	7.60	1.96	1. 7.83—86D
7% C.C.C.E. 77/89 (G)	96.50	7.25	7.72	6.25	1. 4.81—89D
5½% CECA 65/83	99.35	5.54	8.06	0.25	due 1. 4.71—83D
7½% CECA 71/86	101.25	7.41	6.70	1.79	1. 5.77—86D
6½% CECA 72/87	98.00	6.63	7.40	2.43	1. 7.78—87D
7% CECA 72/88	100.00	7.00	7.00	2.94	2. 1.79—88D
6½% CECA 73/88	97.00	6.70	7.58	3.18	1. 4.79—88D
7¾% CECA 73/88	103.25	7.51	6.59	3.24	1.11.79—88D
8½% CECA 75/85	102.50	8.29	6.89	1.74	1. 4.78—85D
7¾% CECA 76/83	100.40	7.72	7.11	0.75	1.10.83
7¾% CECA 76/86	100.85	7.68	7.29	2.21	1.10.82—86D
6% CECA 78/88	94.25	6.37	7.24	5.83	1.11.88
5¼% CECA 78/90	91.45	5.74	7.32	5.06	1. 4.85—90D
6% CECA 78/90 PP	92.50	6.49	8.33	3.87	1. 8.83—90D
7% CECA 79/91	97.75	7.16	7.49	5.65	15. 4.84—91D
9½% CECA 80/88	105.25	9.03	8.02	4.37	1.12.85—88
7⅞% CECA 80/90	100.85	7.81	7.71	7.00	2. 1.90
7⅞% CECA 80/92	100.75	7.82	7.70	5.98	2. 9.85—92D
10% CECA 81/91	107.25	9.32	8.42	6.09	3. 3.87—91D
9¾% CECA 82/87	109.00	8.94	7.11	4.05	20. 1.87
9¾% CECA 82/94	108.75	8.97	8.12	7.35	20. 1.87—94
8% CECA 82/94	102.00	7.84	7.68	9.21	1.11.88—94
7% CESP 77/87 (G)	95.50	7.33	8.15	4.83	1.11.83(82-87)
6% Chase Manhattan Ov. 78/93	91.75	6.54	7.12	10.67	1. 9.84—93S
7% Chrysler 69/84	97.00	7.22	9.40	1.50	1. 7.75—84S
6¾% CIBA-GEIGY ex. w. 75/85 PP	101.50	6.65	6.13	2.75	1.10.85
6½% C.N. Autoroutes 69/84 (G)	99.25	6.55	7.16	1.17	1. 3.75—84D
6½% C.N. Energie 69/84 PP (G)	99.00	6.57	7.48	1.08	1. 2.75—84D
6½% C.N. Telecom 68/83 (G)	100.00	6.50	6.46	0.83	1.11.74—83S
8½% C.N. Telecom 70/85 (G)	106.00	8.02	4.90	1.73	1.10.76—85S
7¼% C.N. Telecom. 76/83 (G)	99.90	7.26	7.42	0.29	due 16. 4.83
6¼% C.N. Telecom. 78/87 (G)	96.25	6.49	7.32	4.17	1. 3.87
7⅞% C.N. Telecom. 79/87 PP (G)	99.00	7.95	8.12	4.96	16.12.87
9½% C.N. Telecom. 82/92 (G)	106.00	8.96	8.54	9.58	1. 6.92
8¾% Credit Foncier 82/92 (G)	102.00	8.58	8.42	9.33	1. 5.92
7¾% Comalco 71/86	99.75	7.77	7.98	3.4[illegible]	1. 6.77—86S
8% Com. Fed. Electr. 77/84	88.75	9.01	17.50	1.42	1. 6.84
7¼% Com. Fed. Electr. 77/85	85.50	8.48	17.42	1.77	1.11.82—85D
6¾% Com. Fed. Electr. 78/88	75.50	8.94	17.86	3.09	1. 4.84—88D
11% Com. Fed. Electr. 82/89	82.50	13.33	15.42	6.44	16. 6.89
5% Commerzbank Int'l. 79/84 PP	97.50	5.13	7.69	1.00	1. 1.84
4⅜% Comp. F. Deutsche Bk. 78/83 PP	99.00	4.42	7.41	0.33	1. 5.83
5% Comp. F. Deutsche Bk. 78/84 PP	98.00	5.10	7.14	1.00	1. 1.84
8½% Comp. Franc. Petr. 75/85	101.75	8.35	7.09	1.40	1. 6.80—85S
6½% Comp. Franc. Petr. 77/84	98.85	6.58	7.30	1.50	1. 7.84
8½% Consorzio 70/91 (G)	99.25	8.56	8.90	4.29	1. 1.77—91D
5¾% Copenhagen 64/84	97.80	5.88	6.98	1.86	15.12.70—84D
7% Copenhagen 68/83	100.50	6.97	6.82	0.34	2. 5.72—83S
6¾% Copenhagen 69/84	98.70	6.77	7.09	1.42	1. 6.75—84S
7¼% Copenhagen 71/86	99.80	7.26	7.83	3.25	1. 4.77—86S
7½% Copenhagen 76/86	98.50	7.61	7.95	3.92	1.12.81—86S
6% Copenhagen 78/90	86.70	6.92	8.36	7.83	1.11.81—90S
7% Council of Europe 73/88	96.75	7.24	8.28	2.88	1. 7.79—88D
8½% Council of Europe 76/83	100.00	8.50	8.18	0.08	due 1. 2.79—83D
7¾% Council of Europe 76/83	100.25	7.73	6.78	0.33	1. 5.80—83D
7% Council of Europe 76/83	100.40	6.97	6.52	0.92	1.12.83
6¼% Council of Europe 77/87	94.75	6.60	8.45	2.75	1.11.83—87D
6¼% Council of Europe 78/86 PP	93.00	6.72	8.63	3.50	1. 7.86
6¼% Council of Europe 78/89	94.00	6.52	8.26	3.30	16. 5.84—89D
6¼% Council of Europe 78/88 II	94.10	6.64	8.12	3.76	1.11.84—88D
6¼% Council of Europe 78/88 III	93.50	6.68	8.33	3.75	1.11.84—88D
7¼% Council of Europe 79/89	96.50	7.51	8.53	3.17	1. 6.83—89D
7½% Council of Europe 79/89	97.75	7.67	8.08	4.67	1.10.85—89D
9¾% Council of Europe 80/90	109.00	8.94	7.77	5.84	1.12.86—90
10% Council of Europe 81/91	108.00	9.26	8.28	6.21	16. 4.87—91D
10¼% Council of Europe 81/91	108.80	9.42	8.46	6.71	16.10.87—91
10% Council of Europe 82/92	107.00	9.35	8.62	7.04	16. 2.88—92D
8¾% Council of Europe 82/92	103.50	8.45	8.09	7.38	16. 6.88—92D
8¼% Council of Europe 82/92	101.70	8.11	7.94	7.76	1.11.88—92
6½% Courtaulds Int'l. 72/87	95.25	6.82	7.77	4.50	1. 7.80—87S
6% Credit National 77/87 (G)	95.15	6.31	7.23	4.75	1.10.83—87S
5¾% Credit National 78/83 PP (G)	98.50	5.84	8.07	0.67	1. 9.83
6½% Credit National 79/89 (G)	95.00	6.84	7.93	4.22	16. 4.85—89D
9% CVRD 76/84	99.00	9.09	9.99	1.08	1. 2.81(82-84)
8½% CVRD 76/86	99.75	8.52	8.57	3.92	1.12.82(83-86)
8% Daimler-Benz 70/85	103.00	7.77	6.31	1.81	1.11.76—85D
6½% Daishowa Paper 78/83 PP	98.25	6.60	8.60	0.58	1. 9.83
5¾% Danish Export 78/83 PP	98.75	5.82	8.78	0.42	1. 6.79—83D
8¼% Den Danske Bk. 76/86	99.25	8.31	8.47	3.83	1.11.83—86S
7% Denmark 69/84	99.50	7.04	7.47	1.58	1. 8.76—84S
6¾% Denmark 72/87	97.00	6.96	7.50	4.92	1.12.78—87S
9¼% Denmark 74/89	101.25	9.14	8.82	3.73	1. 3.80—89S
6¾% Denmark 77/83	99.25	6.80	8.68	0.37	16. 5.83
7¼% Denmark 77/87	93.75	7.73	9.02	4.37	16. 5.87
5¼% Denmark 78/84	97.25	5.40	7.98	1.08	1. 2.84
6% Denmark 78/88	88.58	6.78	8.91	5.08	1. 2.88
5¾% Denmark 79/85	96.00	5.99	7.90	2.08	1. 2.85
6½% Denmark 79/89	88.00	7.39	8.15	6.08	1. 2.89

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
7¾% Denmark 80/86	98.25	7.93	8.15	3.08	1. 2.86
8¼% Denmark 80/92	99.25	8.31	8.37	9.08	1. 2.92P
9½% Denmark 80/90 PP	100.50	9.45	9.38	7.33	1. 5.90
10% Denmark 82/88	104.00	9.62	8.98	5.17	1. 3.88
10⅛% Denmark 82/92	104.75	9.67	9.32	9.17	1. 3.92
6¾% Den Norske Ind. 77/89 (G)	97.50	6.92	7.62	3.27	1. 6.80—89D
6% Den Norske Ind. 78/90 (G)	95.00	6.32	7.61	3.64	1. 5.83—90D
6½% District Paris 69/84 (G)	99.50	6.53	6.90	1.25	1. 4.75—84D
7¼% EEC 76/83	100.00	7.25	7.06	0.25	due 1. 4.83
7⅞% EEC 79/94	101.00	7.80	7.68	7.03	1.11.85—94D
10⅛% EEC 81/93	113.75	8.90	7.29	5.99	16.10.93
9¾% EEC 82/94	110.00	8.86	7.93	7.60	18. 4.87—94D
8% EEC 82/94	102.75	7.78	7.48	7.06	11.11.85—94
8¼% Electr. de France 80/88 PP (G)	99.75	8.27	8.30	5.83	1.11.88
8⅞% Electr. de France 82/92	104.25	8.51	8.21	9.71	15. 9.92
7% Eletrobras 77/87 (G)	95.25	7.35	8.25	4.67	1. 9.83(83-87)
6¾% Eletrobras 78/86 (G)	77.00	8.77	16.39	3.25	1. 4.86
7% Eletrobras 79/87 (G)	74.85	9.35	15.80	4.08	1. 2.87
5¼% Elf Aquitaine 78/88	89.50	5.87	8.21	4.35	15. 5.86—88D
5¾% Elkem 78/88 PP	88.50	6.50	9.96	3.32	1. 6.84—88D
9¾% Emhart 82/89	106.25	9.18	8.44	6.50	1. 7.89
8¾% ENEL 82/89	98.75	8.98	9.12	6.96	15.12.89
6¾% Ericsson 72/87	98.75	6.84	7.10	4.17	1. 3.78—87S
6½% ESCOM 68/83 (G)	98.50	6.60	8.58	0.75	1.10.74—83D
8½% ESCOM 70/85 (G)	101.35	8.39	7.61	1.74	1. 4.76—85D
8% ESCOM 71/86 (G)	102.00	7.84	7.09	2.14	1. 3.77—86D
6¼% ESCOM 72/87 (G)	94.25	6.63	8.81	2.58	1. 9.78—87D
7% ESCOM 73/88 (G)	98.00	7.14	7.82	2.72	1. 5.79—88D
8% ESCOM 76/84 PP (G)	97.25	8.23	9.68	1.83	1.11.84
8¾% ESCOM 79/84 I PP (G)	98.75	8.86	9.57	1.58	1. 8.84
8¾% ESCOM 79/84 II PP (G)	98.75	8.86	9.57	1.58	1. 8.84
9% ESCOM 80/87 PP (G)	100.50	8.96	8.77	3.03	1. 8.84—87D
9¼% ESCOM 80/87	107.50	8.60	7.34	4.83	1.11.87
9½% ESCOM 82/90 (G)	102.25	9.29	9.05	7.42	1. 6.90
7¾% ESTEL 73/88	94.00	8.24	9.15	5.68	1. 8.79—88S
8½% ESTEL 75/85	99.50	8.54	8.70	2.42	1. 6.81—85S
8½% ESTEL 76/83 PP	98.50	8.63	17.76	0.17	due 1. 3.83
6½% ESTEL 77/84 PP	88.75	7.32	13.82	1.83	1.11.84
6¼% ESTEL 77/84 PP	91.00	6.87	13.72	1.40	1.12.82—84D
6¼% ESTEL 78/85 PP	88.00	7.10	11.56	2.75	1.10.85
7¾% ESTEL 79/86 PP	84.00	9.23	13.64	3.58	1. 8.86
8⅛% ESTEL 79/86 PP	84.50	9.62	13.42	3.96	15.12.86
8⅞% ESTEL 80/87 PP	89.50	9.92	12.02	4.46	15. 6.87
5¾% Euratom 77/87	93.90	6.12	7.29	4.83	1.11.87
6¼% Euratom 79/91 PP	91.75	6.81	8.58	4.39	8. 2.84—91D
6½% Eurofima 67/83	100.50	6.47	5.65	0.67	1. 9.71—83D
6¼% Eurofima 72/87	98.00	6.38	7.10	2.60	1. 9.76—87D
6½% Eurofima 73/88	97.50	6.67	7.42	3.10	1. 3.77—88D
8% Eurofima 73/88	102.75	7.79	6.98	3.15	1.10.77—88D
8% Eurofima 76/83	100.00	8.00	7.71	0.08	due 1 2.83
6¾% Eurofima 77/87 PP	97.50	6.92	8.14	2.01	1. 2.82—87D
5½% Eurofima 78/88	94.90	5.80	7.42	3.05	15. 2.84—88D
5½% Eurofima 78/88 PP	90.50	6.08	8.21	4.28	1.11.85—88D
6½% Eurofima 79/89	96.00	6.77	7.69	4.01	1. 2.85—89D
7% Eurofima 79/84 PP	99.75	7.02	7.13	1.75	1.10.84
7⅜% Eurofima 79/87 PP	99.50	7.41	7.49	4.75	1.10.87
8¼% Eurofima 80/87 PP	101.50	8.13	7.85	4.83	1.11.87
7⅞% Eurofima 80/88 PP	100.00	7.88	7.88	5.04	15. 1.88
10¼% Eurofima 81/91	109.25	9.38	8.70	8.83	1.11.91
8⅛% Eurofima 82/90	103.75	7.83	7.46	7.75	1.10.90
9% Eurofima 82/92	106.00	8.49	8.05	9.29	15. 4.92
6% Europ. Inv. Bank 69/84	99.25	6.05	6.78	1.17	1. 3.75—84D
7% Europ. Inv. Bank 69/84	101.25	6.91	6.09	1.33	1.11.76—84D
7½% Europ. Inv. Bank 71/86	101.60	7.38	6.79	2.14	1. 3.77—86D
7¾% Europ. Inv. Bank 71/86	102.50	7.56	6.48	2.21	1.10.77—86D
6½% Europ. Inv. Bank 72/87	98.50	6.60	7.13	2.62	1. 3.78—87D
6% Europ. Inv. Bank 72/87	97.50	6.15	7.07	2.80	1. 9.80—87D
6¾% Europ. Inv. Bank 73/88	99.50	6.78	6.87	5.08	1. 2.79—88S
7% Europ. Inv. Bank 73/88	99.50	7.04	7.10	5.50	1. 7.79—88S
8% Europ. Inv. Bank 76/83	101.25	7.90	6.29	0.50	1. 7.80—83D
7¾% Europ. Inv. Bank 76/83 PP	100.00	7.75	7.67	0.75	1.10.83
6¾% Europ. Inv. Bank 76/84	101.00	6.68	5.98	1.41	1.12.81—84D
6% Europ. Inv. Bank 77/89	96.25	6.23	7.25	3.44	1. 8.82—89D
6% Europ. Inv. Bank 78/88 I PP	91.00	6.59	8.05	5.58	1. 6.88
6% Europ. Inv. Bank 78/88 II PP	91.00	6.59	7.97	5.87	15.11.88
5¼% Europ. Inv. Bank 78/90	92.00	5.71	7.21	4.98	1. 3.85—90D
6% Europ. Inv. Bank 78/90	92.65	6.48	7.27	7.75	1.10.90P
7½% Europ. Inv. Bank 79/89	100.25	7.48	7.44	6.42	1. 6.89
7⅝% Europ. Inv. Bank 79/89 PP	98.00	7.78	8.01	6.58	1. 8.89
6½% Europ. Inv. Bank 79/91	95.20	6.83	7.31	8.00	1. 1.91P
9¼% Europ. Inv. Bank 80/86	106.25	8.71	7.06	3.33	1. 5.86
7⅞% Europ. Inv. Bank 80/90	101.25	7.78	7.64	7.58	1. 8.90
8½% Europ. Inv. Bank 80/90	104.00	8.17	7.79	7.79	15.10.90

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
9% Europ. Inv. Bank 80/87 PP	103.50	8.70	8.09	4.87	15.11.87
9½% Europ. Inv. Bank 80/90	107.75	8.82	8.04	7.33	1. 5.90
9½% Europ. Inv. Bank 80/90	108.10	8.79	8.07	7.92	1.12.90
10⅛% Europ. Inv. Bank 81/91	109.00	9.29	8.62	8.83	1.11.91
10½% Europ. Inv. Bank 81/91	110.50	9.50	8.65	8.25	1. 4.91
10½% Europ. Inv. Bank 81/91 II	111.00	9.48	8.62	8.62	15. 8.91
10¾% Europ. Inv. Bank 81/91	111.00	9.68	8.83	8.46	15. 8.91
10% Europ. Inv. Bank 82/89	108.00	9.26	8.27	6.08	1. 2.89
10% Europ. Inv. Bank 82/92	108.50	9.22	8.61	9.08	1. 2.92
8⅜% Europ. Inv. Bank 82/92	104.25	8.03	7.71	9.37	15. 5.92
9⅜% Europ. Inv. Bank 82/92	107.50	8.72	8.20	9.58	1. 8.92
8¼% Europ. Inv. Bank 82/92	103.75	7.95	7.68	9.76	1.10.92
8¼% Europ. Inv. Bank 82/92	103.25	7.99	7.76	9.92	1.12.92
8¼% Europistas 71/86 (G)	99.50	8.29	8.59	2.06	1. 2.77—86D
8% Europistas 72/87 (G)	98.10	8.15	9.31	1.91	1. 1.78—87D
10½% Ferrovie 82/87	106.00	9.91	8.73	4.25	1. 4.87
7% Finland 68/83	100.00	7.00	7.10	0.42	1. 6.72—83D
6¾% Finland 68/83	99.00	6.82	8.05	0.92	1.12.72—83D
7% Finland 69/84	99.25	7.05	8.10	0.82	1. 5.73—84D
7½% Finland 69/84	100.25	7.48	7.40	1.24	1.10.73—84D
7% Finland 72/87	98.60	7.10	7.52	4.25	1. 4.78—87S
8% Finland 76/84	102.00	7.84	5.62	0.91	1. 6.81—84S
5½% Finland 78/83 PP	99.60	5.52	10.30	0.08	due 1. 2.83
6% Finland 78/83	99.35	6.04	6.74	0.92	1.12.83
5¾% Finland 78/86	96.50	5.96	7.05	3.08	1. 2.86
8% Finland 79/86	101.50	7.88	7.54	3.96	16.12.86
10% Finland 81/89	106.30	9.41	8.65	6.33	1. 5.89
10½% Finland 81/86	106.00	9.91	8.58	3.83	1.11.86
9¾% Finland 82/89	104.60	9.32	8.75	6.25	1. 4.89
8½% Finn. Industriebank 80/90 (G)	98.70	8.61	8.88	4.11	1.11.83—90D
8% Finn. Kommunal 71/83 (G)	99.75	8.02	8.90	0.34	2. 5.76—83D
10% Finn. Kommunal 82/92 (G)	104.75	9.55	9.05	6.92	2. 1.88—92
8¼% Forsmarks 75/83 (G)	99.95	8.25	8.18	0.50	1. 7.80—83D
5¾% Forsmarks 78/90 (G)	91.00	6.32	8.57	3.88	16. 1.83—90D
8⅞% Forsmarks 80/87 (G)	102.00	8.70	8.23	3.81	1.11.85—87D
7½% Francetel 76/83	100.00	7.50	7.44	0.79	16.10.83
6¾% Francetel 77/84 PP (G)	99.00	6.82	7.58	1.25	1. 4.84
9⅝% Gaz de France 82/92 (G)	105.75	9.10	8.61	8.22	1. 4.90—92D
8½% Gen. Zbk. Vienna 76/83 PP	100.00	8.50	8.18	0.08	due 1. 2.82—83D
6% Gen. Zbk. Vienna 77/87	94.25	6.37	8.35	2.84	1.12.83—87D
7¼% Giroz. Vienna 76/83	99.90	7.26	7.33	0.83	1.11.83
5¾% Giroz. Vienna 78/86 PP	93.00	6.18	7.97	3.75	1.10.86
8¾% Giroz. Vienna 79/84 PP	98.75	8.96	7.69	1.62	16. 8.84
8⅞% Giroz. Vienna 80/87 PP	101.00	8.79	8.57	4.42	1. 6.87
10¾% Giroz. Vienna 81/91	109.50	9.82	9.08	8.50	1. 7.91
6% G.I.S. 76/83 PP	99.50	6.03	8.93	0.17	due 1. 3.82—83D
8¼% GMAC Overseas Fin. 82/87	105.75	7.80	6.78	4.75	7.10.87
8¼% Gould Int. Fin. 82/89	103.00	8.01	7.67	6.92	1.12.89
7% Grand Metrop. Fin. 77/84	98.85	7.08	7.76	1.58	1. 8.81—84S
8% Guest-Keen-Nettl. 76/83	99.95	8.00	7.94	0.34	2. 5.83
8¼% Guest-Keen-Nettl. 82/89	98.15	8.45	8.53	6.83	1.11.89
6¾% Hamersley Iron 72/87	98.25	6.87	7.20	4.50	1. 7.78—87S
8⅝% Hazama-Gumi 80/85 PP	101.00	8.66	8.24	2.46	16. 6.85
7% Helsinki 68/83	99.25	7.05	8.75	0.50	1. 7.72—83S
8⅞% Helsinki 82/92	98.50	9.01	9.10	9.42	1. 6.87—92S
9% Hidroeléctr. Ibécica 80/90	99.75	9.02	9.04	4.41	1. 8.84—90D
5¾% Hitachi Shipbldg. 78/83	99.00	5.81	6.86	0.96	16.12.83
8⅜% Honeywell Bull 80/90	100.25	8.35	8.31	7.58	1. 9.80P
8¾% IAKW, Vienna 75/85 (G)	100.25	8.73	8.47	1.31	1. 5.80—85D
10% IBM 80/86 PP	105.00	9.52	8.16	3.25	1. 4.86
7¼% Iceland 69/84	99.25	7.30	7.99	1.33	1. 5.73—84S
7¾% Iceland 77/87	99.76	7.77	7.81	4.25	1. 4.80—87S
9¼% Iceland 82/92	98.50	9.39	9.48	9.42	1. 6.92
6½% ICI Int'l 72/92	95.50	6.81	7.16	8.17	1. 3.78—92S
7½% ICI Int'l 76/86	101.75	7.37	6.81	2.88	1.12.84—86D
6¾% ICI Int'l 77/87	99.25	6.80	7.03	2.79	1. 5.84—87D
8% ICIPU 71/91 (G)	97.20	8.23	8.99	4.27	1. 1.77—91D
8% Imatran Voima 72/87 (G)	99.40	8.05	8.35	4.00	1. 1.78—87S
7% Indonesia 78/84	94.00	7.45	10.90	1.75	1.10.84
8% Ind. Dev. C. South-Afr. 76/83 PP (G)	99.00	8.08	9.94	0.50	1. 7.83
5% Industr. Bk. Japan 78/84	98.25	5.09	6.87	1.00	1. 1.84
7¼% Ind. Fund of Finland 78/87 PP	95.25	7.74	9.15	3.15	16. 9.84—87D
7½% Ind. Min. Dev. Iran 73/85	91.00	8.24	12.11	2.33	1. 5.77—85S
7¾% Ind. Min. Dev. Iran 77/87	81.50	9.51	13.46	4.50	1. 7.83—87S
7¼% Ind. Min. Dev. Iran 78/84	87.00	8.33	16.51	1.71	16. 8.84
8% Ind. Mtgebk. Finl. 71/86 (G)	99.50	8.04	8.40	2.37	1.12.77—86D
7% Ind. Mtgebk. Finl. 72/87 (G)	95.75	7.31	9.20	2.41	1. 7.78—87D
6¾% Int. Am. Dev. Bank 68/83	99.50	6.78	7.94	0.50	1. 7.72—83S
7% Int. Am. Dev. Bank 69/84	100.10	6.99	7.01	1.07	1. 8.75—84S
8½% Int. Am. Dev. Bank 70/85	103.00	8.25	6.84	1.65	1. 9.76—85S
6¾% Int. Am. Dev. Bank 72/87 I	99.20	6.80	6.85	4.42	1. 6.78—87S
6¾% Int. Am. Dev. Bank 72/87 II	98.50	6.85	7.12	4.83	1.11.78—87S
8% Int. Am. Dev. Bank 76/83 PP	100.00	8.00	7.73	0.12	due 16. 2.83
8¼% Int. Am. Dev. Bank 76/83 PP	100.00	8.25	8.08	0.50	1. 7.83
7% Int. Am. Dev. Bank 77/87	99.75	7.02	7.07	4.00	1. 1.83—87S
6¼% Int. Am. Dev. Bank 78/88	95.00	6.58	7.49	5.00	1. 1.88
7¾% Int. Am. Dev. Bank 79/86	101.25	7.65	7.31	3.50	1. 7.86
8% Int. Am. Dev. Bank 79/89 PP	100.00	8.00	7.98	6.54	15. 7.89
8% Int. Am. Dev. Bank 80/88	102.25	7.82	7.45	5.08	1. 2.88
10% Int. Am. Dev. Bank 81/91	106.25	9.41	8.88	8.17	1. 3.91
10¼% Int. Am. Dev. Bank 81/91	108.75	9.43	8.78	8.87	15.11.91
9% Int. Am. Dev. Bank 82/92	103.00	8.74	8.51	9.29	15. 4.92
9¾% Int. Am. Dev. Bank 82/89	105.00	9.29	8.69	6.54	15. 7.89
6¾% Int'l Com'l Bank 73/83	99.25	6.80	8.49	0.42	1. 6.79—83D
7½% Ireland 79/87 PP	93.25	8.04	9.45	4.33	1. 5.87
8¼% Ireland 80/88	95.50	8.51	9.29	6.00	1. 1.88
10¼% Ireland 81/86	106.25	9.53	8.21	3.96	15.12.86
9½% Ireland 82/87	101.50	9.36	9.07	4.69	15. 9.87
7¾% ISCOR 71/86 (G)	96.75	8.01	9.07	3.42	1. 6.77—86D
7% ISCOR 72/87 (G)	95.50	7.33	9.56	2.16	1. 4.78—87D
7% ISCOR 73/88 (G)	92.90	7.53	9.77	3.07	1. 3.79—88D
8½% ISCOR 73/88 (G)	100.00	8.50	8.48	3.21	1.11.79—88D
8¼% ISCOR 78/84 PP (G)	97.75	8.44	9.64	1.79	16.10.84
9¼% ITT Antilles 82/92	107.10	8.64	8.15	9.65	26. 6.92
7% Japan 68/83	99.90	7.01	7.67	0.17	1. 3.72—83S
8⅛% Japan Air Lines 80/87 (G)	106.65	7.62	6.48	4.87	16.11.87
7¼% Japan Dev. Bank 76/83 (G)	100.00	7.25	7.06	0.25	due 1. 4.83
7⅝% Japan Dev. Bank 80/87 (G)	104.25	7.31	6.53	4.67	1. 9.87

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
10¼% Japan Synthetic 80/86 PP	102.50	10.00	8.95	2.29	15. 4.85
8% Johannesburg 71/86 (G)	98.00	8.16	9.04	2.11	1. 9.77—86D
6¼% Johannesburg 72/87 (G)	92.50	6.76	9.65	2.57	1. 9.78—87D
10% Johannesburg 82/86 (G)	105.00	9.52	8.37	3.75	1.10.86
7¼% Jydsk Telefon 69/84	96.25	7.53	9.91	1.71	15. 9.75—84S
6¾% Jydsk Telefon 72/87	91.50	7.38	9.29	4.17	1. 3.78—87D
7¼% Jydsk Telefon 73/89	96.00	7.55	8.24	5.09	1. 2.79—89D
8½% Jydsk Telefon 80/90	97.75	8.70	8.94	7.08	1. 2.90
6¾% Kansai Electric 69/84	99.50	6.78	7.32	1.17	1. 3.73—84S
7¾% Kansai Electric 71/86	100.00	7.75	7.73	3.33	1. 5.77—86S
6¾% KELAG 73/88	97.25	6.94	7.38	5.33	1. 5.79—88S
6¾% KHD Finance 72/87	99.50	6.78	6.87	4.34	2. 5.78—87S
7⅜% Kjobenhavns H. Bank 76/83 PP	98.50	7.49	9.13	0.92	1.12.83
7½% Kjobenhavns Tel. 72/87	95.90	7.82	8.93	4.00	2. 1.78—87S
7% Kjobenhavns Tel. 72/87	98.75	7.09	7.33	4.33	1. 5.78—87S
6½% Kjobenhavns Tel. 73/88	91.00	7.14	8.69	5.25	1. 4.79—88S
5% KLM Royal Dutch Airl. 78/85 PP	95.00	5.26	9.20	1.30	1. 5.79—85D
7% Kobe 68/83 (G)	99.90	7.01	7.36	0.42	1. 6.72—83S
6¾% Kobe 69/84 (G)	98.50	6.78	7.27	1.33	1. 5.73—84S
7¾% Kobe 71/86 (G)	105.00	7.38	6.28	2.21	1. 2.77—86S
6¾% Kobe 72/87 (G)	103.00	6.55	5.30	2.38	1. 5.78—87S
7½% Kobe 76/83 (G)	99.90	7.51	7.58	0.42	1. 6.83
6½% Kobe 77/87 (G)	99.80	6.51	6.54	4.42	1. 6.87
5¾% Kobe 78/86 (G)	98.25	5.85	6.31	3.50	1. 7.86
7⅛% Kobe 79/89 (G)	101.75	7.00	6.79	6.75	1.10.89
8% Kobe 80/90 (G)	107.25	7.46	6.73	7.50	1. 7.90
7¾% Kommunl. Inst. 76/83	99.75	7.77	8.55	0.25	due 1. 4.81—83D
8% Kommunl. Inst. 76/84	100.00	8.00	7.97	1.79	15.10.77—84D
9¼% Kopenhagen 82/92	99.50	9.30	9.34	5.72	15. 6.85—92S
7¼% Korea Dev. Bank 77/84 (G)	96.50	7.51	9.31	1.92	1.12.84
5¾% Kvaerner Ind. 78/88 PP	90.00	6.39	9.65	3.07	1. 3.84—88D
6¾% Light-Servicos 78/86 (G)	77.50	8.71	15.91	3.33	1. 5.86
8½% Light-Servicos 80/90 (G)	77.00	11.04	15.54	4.90	16. 1.86—90D
9¾% Lonrho Intern. 80/87	102.00	9.56	9.14	4.34	2. 5.87
6½% Lufthansa Int'l 79/86 PP	98.50	6.74	7.78	3.17	1. 3.86
7% Malaysia 72/84	100.50	6.97	6.38	0.91	1. 6.75—84D
6½% Malaysia 77/85	95.00	6.84	8.65	2.67	1. 9.85
9¼% Malmoe 75/84	100.60	9.19	8.62	1.08	1. 2.81—84D
8¼% Malmoe 76/83	100.25	8.23	6.47	0.17	due 1. 3.80—83D
6½% Manitoba 77/84	99.75	6.52	6.64	1.50	1. 7.84
6¾% Manit. Hydro El 72/87	98.75	6.84	7.07	4.42	1. 6.78—87S
8¼% McDonald's 82/92	106.75	7.80	7.39	9.74	1.10.92
7⅛% McDonald's 82/92	100.00	7.13	7.12	9.96	16.12.92
6¼% Megal Fin. Comp. 78/90	89.25	7.00	8.34	7.00	2. 1.85—90S
7% Megal Fin. Comp. 79/89	93.00	7.53	8.48	6.25	1. 4.87—89P
7% MEPC 73/88	95.00	7.37	9.14	2.71	1. 5.79—88D
7¼% Mexico 73/88	78.70	9.21	13.36	5.00	1. 1.79—88S
8% Mexico 76/83	97.35	8.22	14.66	0.42	1. 6.83
7¾% Mexico 77/84	90.45	8.57	15.68	1.42	1. 6.84
6% Mexico 78/85	81.40	7.37	16.50	2.25	1. 4.85
11% Mexico 81/88	95.20	11.55	12.17	5.96	16.12.88
8¾% Michelin Finance 80/87 PP	101.50	8.62	8.35	4.87	16.11.87
8½% Midland Int. Fin. 80/90	103.10	8.24	7.94	7.79	15.10.90
6½% Mitsubishi Chemical 79/84	100.25	6.48	6.26	1.33	30. 4.84
5¾% Mitsubishi Petro 78/83	101.00	7.55	7.37	4.92	
	99.00	5.81	7.27	0.67	1. 9.83
9% MODO 75/83	100.25	8.98	8.15	0.42	1. 6.80—83D
7% Montreal 69/89	96.75	7.24	8.05	3.64	1. 4.70—89D
6% Montreal 72/92	91.65	6.55	8.14	4.85	1. 9.73—92D
6¾% Montreal 73/93	94.25	7.16	7.56	10.42	1. 6.74—93S
8½% Montreal 76/86	102.50	8.29	7.05	1.96	1. 7.77—86S
7% Montreal 77/87	98.25	7.12	7.45	4.54	16. 7.78—87S
7½% Mortg. Denmark 69/84 (G)	99.25	7.56	8.10	1.83	1.11.75—84S
7% Mortg. Denmark 73/88 (G)	94.00	7.45	8.39	5.50	1. 7.79—88S
8½% Mortg. Denmark 80/90 (G)	96.75	8.79	9.10	7.50	1. 7.90
10½% Mortg. Denmark 81/91	106.50	9.86	9.37	8.83	1.11.91
6¾% Mortg. Bk. Finl. 69/84 (G)	98.50	6.85	8.18	1.25	1. 4.73—84S
8¾% Nafi. Mexico 76/83 PP (G)	93.50	9.36	16.92	0.92	1.12.83
8¾% Nafi. Mexico 77/84 (G)	92.00	9.51	16.76	1.17	1. 3.84
8¾% Nafi. Mexico 77/84 PP (G)	92.00	9.51	16.76	1.17	1. 3.84
11% Nafi. Mexico 82/90 (G)	86.00	12.79	14.22	7.17	1. 3.90
6½% Nat. Bk. Hungary 77/85	85.75	7.58	12.78	2.83	1.11.85
7% Nat. Nedrl. Fin. Maat 79/86 PP	98.25	7.12	7.54	3.75	1.10.86
8% Nat'l. Westm. Bk. 73/88	103.00	7.77	6.94	3.34	1.10.79—88S
11% Nat'l. Westm. Bk. 81/91	115.25	9.54	8.45	8.75	1.10.91
9⅞% Nat'l. Westm. Bk. 82/92	107.50	9.19	8.64	9.00	1. 1.92
8% Nederl. Gasunie 79/86	104.00	7.69	6.13	2.38	1.12.83—86
8½% Nederl. Gasunie 80/87	104.00	8.17	6.77	2.63	1. 3.84—87S
6¾% New Brunswick 72/87	103.00	6.55	5.55	2.78	1.11.78—87S
7¼% Newfoundland 69/84	101.00	7.18	6.37	1.08	1. 8.75—84S
8% Newfoundland 71/86	101.75	7.86	7.01	2.04	1. 8.77—86S
6¾% Newfoundland 72/87	99.50	6.78	6.87	4.83	1.11.78—87S
6½% Newfoundland 73/88	99.00	6.57	6.72	5.25	1. 4.81—88S
6¾% New Zealand 69/84	100.00	6.75	6.86	1.08	1. 2.75—84D
7½% New Zealand 71/86	102.00	7.35	6.40	1.79	1. 5.77—86D
7% New Zealand 72/87	104.30	6.71	5.15	2.55	1. 2.78—87D
7½% New Zealand 76/83	99.95	7.50	7.57	0.17	due 1. 3.83
7¾% New Zealand 76/86	104.25	7.43	5.71	2.30	1.11.82—86D
6¼% New Zealand 77/84	99.95	6.25	6.26	1.33	1. 5.84
5¼% New Zealand 78/86	96.95	5.42	6.34	3.17	1. 3.86
6% New Zealand 79/86 PP	96.50	6.22	7.30	3.08	1. 2.86
6¼% New Zealand 79/87	99.75	6.27	6.32	4.00	1. 1.87
7⅛% New Zealand 79/87	102.00	6.99	6.60	4.71	15. 9.87
8¼% New Zealand 79/84 PP	101.50	8.13	7.37	1.92	1.12.84
7⅞% New Zealand 80/88	104.25	7.55	6.91	5.54	15. 7.88
9¾% New Zealand 81/89	113.00	8.63	7.29	6.92	1.10.89
9¼% New Zealand 82/87	108.90	8.49	6.68	4.54	15. 7.87
8¼% New Zealand 82/89	106.25	7.76	7.04	6.75	1.10.89
6¾% Nippon Housing Loan 79/84 PP	98.50	6.85	7.90	1.37	16. 5.84
6½% Nippon Kokan 79/84	99.30	6.55	7.07	1.25	1. 4.84
5¾% Nippon Steel 78/86	96.75	5.94	7.11	2.67	1. 9.85
7¾% Nippon T + T 76/83 (G)	100.00	7.75	7.67	0.75	1.10.83
5½% Nippon T + T 79/87 (G)	96.50	5.70	6.50	4.08	1. 2.87
5¾% Norcem 78/85	95.00	6.05	8.35	2.17	1. 3.85
7½% Norcem 79/85 PP	96.25	7.79	8.72	3.67	1. 9.86
5% Norddt. LB Int'l. 78/84 PP	98.75	5.06	6.22	1.08	1. 2.84
6¼% Nordic Inv. Bank 79/86	97.75	6.39	7.11	3.00	1. 1.86
8½% Norges Komm. Bank 70/85 (G)	102.00	8.33	7.37	1.73	1.10.76—85S
7% Norges Komm. Bank 77/89 (G)	99.25	7.05	7.14	5.25	1. 4.80—89S
6% Norges Komm. Bank 77/89 I (G)	93.25	6.43	7.29	6.79	16.10.80—89S
6% Norges Komm. Bank 77/89 II (G)	93.25	6.43	7.27	6.92	1.12.80—89S
6% Norges Komm. Bank 78/90 (G)	93.25	6.43	7.18	7.58	1. 8.81—90S
6¼% Norges Kommb. Bank 79/89 (G)	96.25	6.49	7.04	6.00	1. 1.84—89S
7⅜% Norges Komm. Bank 79/89 PP (G)	99.50	7.41	7.48	6.62	16. 8.84—89S
7¾% Norges Komm. Bank 79/91 (G)	101.25	7.65	7.41	4.81	1. 7.84—91S
8¼% Norges Komm. Bank 79/94 (G)	104.50	7.89	7.42	7.16	16.12.85—94S
8½% Norpipe 76/84	101.25	8.40	7.24	1.08	1. 2.80—84S
8% Norpipe 76/88	101.80	7.86	7.34	2.81	1. 6.83—88S
6% Norpipe 77/89	93.50	6.42	7.23	6.83	1.11.84—89S
7¼% Norsea Gas 76/88	99.00	7.32	7.46	5.92	1.12.83—88S
7% Norsea Gas 77/89	98.25	7.12	7.34	6.50	1. 7.84—89S
9% Norsk Hydro 75/87	102.75	8.76	7.78	2.62	1. 3.80—87D
8% Norsk Hydro 76/88	103.60	7.72	6.46	2.66	1. 4.83—88S
6¾% Norsk Hydro 77/89	98.00	6.89	7.14	6.42	1. 6.82—89S
8½% Norsk Hydro 82/92	106.75	7.96	7.27	7.35	1. 6.88—92S
9% Norsk Hydro 82/92 II	106.50	8.45	7.82	7.59	1. 9.88—92D
4⅜% Norway 78/83	99.30	4.41	7.18	0.25	due 1. 4.83
6¼% Norway 79/84	100.50	6.22	5.80	1.25	
7½% Norway 80/85	102.90	7.29	5.95	2.04	15. 1.85
7¼% Norw. Mortgage 77/87	98.50	7.36	7.98	2.30	[illegible]—87D
6% Norw. Mortgage 77/89	94.00	6.39	7.92	3.71	16.11.82—89D
7⅞% Nova Scotia 71/86	108.00	7.31	5.11	2.39	1.12.77—86D
7% Nova Scot. Power 72/87	99.30	7.05	7.17	4.92	1.12.78—87S
9¾% Nuclebras 80/88 (G)	85.00	11.47	13.87	5.71	16. 9.88
6¾% Occident. Int. Fin. 78/90	86.25	7.83	9.27	7.92	1.12.85—90S
6½% Occident. Overs. 68/83	99.75	6.52	6.95	0.75	1.10.72—83S
6% Oester. Donaukr. 59/84 (G)	99.00	6.06	7.08	1.08	1. 2.65—84D
6¾% Oester. Donaukr. 73/88 (G)	97.25	6.94	7.40	5.17	1. 3.79—88S
8¾% Oester. Draukr. 75/85 (G)	102.50	8.54	7.07	1.66	1. 3.81—85D
7% Oest. El. Wirtsch. 67/87 (G)	100.00	7.00	7.12	2.54	1. 2.73—87D
7% Oest. El. Wirtsch. 76/83 PP (G)	99.50	7.04	7.56	0.96	16.12.83
5½% Oest. Ind. Verwaltung 78/85 PP (G)	95.00	5.79	7.75	2.50	1. 7.85
6⅞% Oest. Inv. Kredit. 79/84 PP	99.50	6.91	7.16	1.83	1.11.84

WestLB Euro-Deutschmarkbond Yield Index
December 31, 1982: 8.38% (November 30: 9.00%)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment
7% Oest. Kontrollbank 76/83 PP (G)	99.75	7.02	7.27	0.92	1.12.83
6¾% Oest. Kontrollbank 77/84 PP (G)	98.50	6.85	8.23	1.09	1. 2.84
6½% Oest. Kontrollbank 77/84 PP (G)	98.75	6.58	7.37	1.50	1. 7.84
6¼% Oest. Kontrollbank 77/84 PP (G)	97.75	6.39	7.78	1.58	1. 8.84
6% Oest. Kontrollbank 77/85 PP (G)	95.50	6.28	7.82	2.83	1.11.85
5¾% Oest. Kontrollbank 78/84 PP (G)	97.50	5.90	7.45	1.59	1. 8.84
6½% Oest. Kontrollbank 78/88 (G)	97.75	6.65	6.97	5.96	16.12.88
6% Oest. Kontrollbank 79/87 PP (G)	93.50	6.42	7.92	4.08	1. 2.87
7⅜% Oest. Kontrollbank 79/89	99.50	7.41	7.46	6.75	1.10.89
8% Oest. Kontrollbank 79/84 PP (G)	101.00	7.92	7.41	1.92	1.12.84
7⅞% Oest. Kontrollbank 79/86 PP (G)	99.25	7.93	8.10	3.96	16.12.86
8% Oest. Kontrollbank 80/87 (G)	101.25	7.90	7.63	4.08	1. 2.87
8¾% Oest. Kontrollbank 80/85 PP (G)	101.25	8.64	8.08	2.21	15. 3.85
8½% Oest. Kontrollbank 80/88 (G)	102.00	8.33	8.05	5.83	1.11.88
9% Oest. Kontrollbank 80/87 PP	103.25	8.72	8.07	4.37	15. 5.87
8¼% Oest. Kontrollbank 80/92	101.50	8.13	8.01	9.50	1. 7.92
7¾% Oest. Kontrollbank 80/89 PP (G)	100.25	7.73	7.68	5.67	1. 9.89
10⅛% Oest. Kontrollbank 81/91	109.75	9.23	8.50	8.83	1.11.91
8⅞% Oest. Kontrollbank 88/89 (G)	103.00	8.62	8.26	6.67	1. 9.89
9% Oest. Kontrollbank 82/89 PP	103.25	8.72	8.32	6.54	16. 7.89
9¼% Oest. Kontrollbank 82/92 (G)	104.00	8.89	8.59	9.29	16. 4.92
6½% Ontario 69/84	101.00	6.44	5.61	1.08	1. 2.75—84D
6% Ontario 72/87	96.75	6.20	7.40	2.60	1. 9.80—87D
7½% Ontario Hydro 71/86	104.00	7.21	5.65	2.38	1.12.77—86D
6½% Ontario Hydro 72/87	99.25	6.55	6.63	2.35	1. 6.80—87D
6½% Ontario Hydro 73/88	97.75	6.65	7.33	3.10	1. 3.81—88D
7½% Oslo 69/84	105.00	7.14	3.64	1.33	1.11.75—84D
7½% Oslo 71/87	100.50	7.46	7.36	2.11	2. 1.78—87S
6¾% Oslo 73/90	97.75	6.91	7.14	7.50	1. 7.78—90S
9% Oslo 75/87	102.25	8.80	8.04	2.78	1. 3.78—87S
8¾% Oslo 80/90	102.75	8.52	7.80	3.47	1. 3.83—90S
6¾% Papua 73/88	98.00	6.89	7.19	5.50	1. 7.79—88S
6¾% Parker-Hannifin 77/87 PP	93.50	7.22	9.14	3.33	1. 6.83—87D
7½% Parker-Hannifin 79/87 PP	94.00	7.98	9.42	3.81	1. 7.85—87D
8¾% Pemex 76/83	94.00	9.31	16.25	0.92	1.12.83
7% Pemex 77/84	86.25	8.12	17.07	1.67	1. 9.84
7% Pemex 78/86	77.00	9.09	17.49	3.00	1. 1.86
11% Pemex 82/90	83.00	13.25	15.05	7.08	1. 2.90
7% Petrobras 77/84	89.75	7.80	13.94	1.75	1.10.84
7% Petrobras 78/88	77.50	9.03	15.58	3.61	1.10.84—88D
8% Petrobras 79/89	77.25	10.36	15.18	4.61	1.10.85—89D
7¼% Philippine 77/84	93.00	7.80	11.67	1.83	1.11.84
6¾% Philippine 78/85	90.00	7.50	12.05	2.25	1. 4.85
8¼% Philip Morris Int. 82/90	106.50	7.75	7.07	7.33	1. 5.90
9½% Philip Morris Int. 82/89	110.50	8.60	7.30	6.08	1. 2.89
7½% Philip Morris Int. 82/90	102.00	7.35	7.16	7.92	1.12.90
8½% Philips 82/92	106.00	8.02	7.58	9.46	15. 3.92
5¾% PK-Banken 78/88	90.25	6.37	9.35	3.24	1. 5.84—88D
6⅛% Postipankki 79/85 PP	96.00	6.38	8.95	1.57	1. 2.82—85D
7¼% Privatbk. Copenh. 77/83 PP	99.50	7.29	9.11	0.25	due 1. 4.83
6¼% Pyhrn Autobahn 77/89 (G)	93.25	6.70	8.26	4.05	1. 9.84—89D
6½% Quebec 72/87	96.75	6.72	8.00	2.42	1. 7.78—87D
7½% Quebec 77/87	102.00	7.35	6.92	4.08	1. 2.87
7¼% Quebec 77/87	100.50	7.21	7.10	4.42	1. 6.87
6% Quebec 78/90	91.65	6.56	8.19	4.72	1. 6.85—90D
10¾% Quebec 81/91	112.00	9.60	8.70	8.67	1. 9.91
10⅛% Quebec 82/92	110.25	9.18	8.46	9.12	15. 2.92
6¾% Quebec Hydro El 69/84	99.75	6.77	7.11	1.08	1. 2.75—84S
7¼% Quebec Hydro El 69/84	102.00	7.11	5.51	1.16	1. 3.75—84D
8% Quebec Hydro El 71/86	109.75	7.29	3.28	2.15	1. 9.77—86D
6½% Quebec Hydro El 72/87	96.50	6.74	7.97	2.70	1. 4.78—87D
6½% Quebec Hydro El 73/88	98.75	6.58	7.04	2.57	1. 3.79—88D
6½% Quebec Hydro El 77/87	98.75	6.58	6.81	4.62	16. 8.87P
6¼% Quebec Hydro El 77/87	97.00	6.44	6.99	4.92	1.12.87P
10¼% Quebec Hydro El 81/91	111.00	9.23	8.44	8.92	1.12.91
8½% Queensland Alu 70/85	100.50	8.46	8.35	1.81	1.11.76—85S
5¾% Rautaruukki 78/88 (G)	90.50	6.35	8.34	3.16	1. 4.84—88D
7¼% Reed Paper 73/88	95.75	7.57	8.32	5.00	1. 1.73—88S
7½% Renault 80/85 PP	98.75	7.50	8.01	2.67	1. 9.85
10¾% Renault 81/86 PP	105.00	10.24	8.98	3.50	1. 7.86
8% Renfe 77/84 (G)	99.40	8.05	8.47	1.25	1. 4.84
7% Renfe 79/87 (G)	92.75	7.55	9.04	4.42	1. 6.87
10% Renfe 82/92	102.50	9.76	9.57	9.37	16. 5.92
9% Rep. Chile 80/86	89.80	10.01	12.63	3.58	1. 8.86

Quotations (Continued)

Issue	Middle Price	Current Yield	Yield to Maturity*	Life*	Repayment D-mandatory-drawing by lot at par S-sinking fund P-purchase fund
5¾% Ricoh Comp. 78/83	99.00	5.30	6.98	0.58	1. 8.83
7¾% Roy Bk. of Canada 80/90	103.75	7.47	7.08	7.56	1. 8.90
6¾% Roy Lease 79/84 PP	98.25	6.87	7.83	1.75	1.10.84
7¾% SAAB 71/86	100.50	7.71	7.62	2.03	1. 6.77—86S
7½% Saga Petrokjemi 77/87 PP	96.50	7.77	8.45	4.50	1. 7.83—87S
7½% Sandvik 72/87	97.00	7.73	8.86	2.53	1. 2.78—87D
9¼% Sandvik 75/83	100.00	9.25	8.87	0.08	due 1. 2.83
7% Sanko Steamship 77/84	99.85	7.01	7.13	1.08	1. 2.84
9¼% S.A.T.S. 82/87 (G)	103.00	8.98	8.47	4.92	1.12.87
8¼% Seiyu Stores 80/86	100.00	8.25	8.23	3.17	1. 3.86
6½% Shell Int'l. 72/87	100.00	6.50	6.49	4.25	1. 4.78—87S
6¾% Shell Int'l. 77/89	99.80	6.76	6.80	4.02	1. 2.85—89D
6½% Singapore 77/83	99.35	6.54	8.37	0.33	1. 5.83
8½% Sira Kvina 70/85	100.80	8.43	8.03	1.39	1. 6.76—85D
6½% S.N.C.F. 68/83 (G)	99.70	6.52	6.87	0.75	1.10.72—83S
8½% S.N.C.F. 82/92 (G)	103.25	8.35	8.06	8.35	15. 5.90—92S
7½% Soc. Dev. Reg. 76/86 (G)	99.25	7.50	7.83	2.00	1. 4.80—86D
6¼% Soc. Dev. Reg. 77/92 PP (G)	89.50	6.98	8.89	5.11	16.12.83—92D
9% Soc. Mar. Fina 75/83 PP	99.75	9.02	9.51	0.33	1. 5.78—83D
6¼% Sorrento 79/84 PP	97.25	6.43	9.12	1.04	16. 1.84
6¾% South-Africa 69/84	99.50	6.78	7.29	1.25	1. 4.72—84S
8½% South-Africa 70/85	102.00	8.33	7.42	1.81	1.11.76—85S
7¾% South-Africa 71/86	99.50	7.79	8.05	3.85	1.11.77—86S
7% South-Africa 72/87	98.50	7.11	7.37	4.83	1.11.78—87S
9% South-Africa 80/87	101.00	8.91	8.70	4.50	1. 7.87
8% South-Afr. Oil Fund 79/83 PP (G)	99.00	8.08	9.24	0.83	1.11.83
7¾% South-Afr. Oil Fund 79/84 PP (G)	99.00	7.83	8.65	1.17	1. 3.84
7½% South-Afr. Railway 73/88 (G)	93.75	8.00	8.99	5.42	1. 6.79—88S
8% South-Afr. Railway 78/83 I PP (G)	99.75	8.02	8.36	0.50	1. 7.83
8% South-Afr. Railway 78/83 II PP (G)	99.75	8.02	8.29	0.67	1. 9.83
7¾% South-Afr. Railway 78/83 PP (G)	99.25	7.81	8.61	0.92	1.12.83
7% SouthScotl. El. 73/88 (G)	102.00	6.86	6.25	3.02	1. 2.79—88S
9% SHV 82/90	98.25	9.16	9.32	7.50	1. 7.90
6¾% Spain 77/84	97.75	6.91	8.28	1.58	1. 8.84
6% Spain 78/88	86.75	6.92	9.24	5.33	1. 5.88
6% Sparbank Oslo 78/90 PP	92.00	6.52	8.62	3.66	16. 5.81—90D
6½% Stand. Chart. Bank 78/88	93.60	6.94	8.11	5.00	1. 1.88
6% Statoil 78/88 (G)	94.85	6.33	7.13	5.67	1. 9.84—88S
6½% Statoil 79/89 (G)	97.75	6.65	6.95	6.17	1. 3.86—89S
7% Statsloerotag 77/85	98.75	7.09	7.81	1.66	1. 3.82—85D
8¾% Stockholm County 75/87	100.25	8.73	8.58	2.17	1. 4.79—87D
7¾% Sumitomo Fin. 82/90	103.00	8.62	8.26	6.67	18.11.86—90
7½% Sun Oil Int. Fin. 73/88	100.50	7.46	7.28	2.98	1. 8.79—88S
7¼% Svenska Cell 73/88	97.25	7.46	7.92	5.08	1. 2.79—88S
10¼% Svenska Hdl. Bk. 81/87	104.50	9.81	9.04	4.80	20.10.87
6¾% Sveriges Inv. Bk. 72/87	97.75	6.91	7.39	4.17	1. 3.78—87S
7% Sveriges Inv. Bk. 73/88	99.00	7.07	7.23	5.17	1. 3.79—88S
8½% Sveriges Inv. Bk. 75/83	102.00	8.33	3.49	0.42	1. 6.80—83S
6½% Sweden 77/84	100.00	6.50	6.46	1.33	1. 5.84
6% Sweden 77/89	93.00	6.45	7.32	6.92	1.12.83—89S
7¾% Sweden 79/89	99.25	7.81	7.89	6.50	1. 7.89
7½% Sweden 79/89 PP	95.50	7.85	8.40	6.58	1. 8.89
8% Sweden 80/87 PP	99.00	8.08	8.29	4.12	16. 2.87
9¾% Sweden 80/87	109.00	8.94	7.20	4.25	1. 4.87
9% Sweden 80/87 PP	101.75	8.85	8.48	4.37	15. 5.87
9¼% Sweden 80/87 PP	102.00	9.07	8.71	4.83	1.11.87
7¾% Sweden 80/90	99.25	7.93	8.00	7.67	1. 9.90
9¾% Sweden 82/88	108.50	8.99	7.69	5.21	15. 3.88
8⅞% Sweden 82/89 PP	100.50	8.83	8.75	6.42	1. 6.89
9¾% Sweden 82/92	105.25	9.26	8.88	8.21	15. 3.92
8¼% Sweden 82/89	103.00	8.01	7.67	6.96	15.12.89
9½% Swedish Export 80/87	102.00	9.31	8.78	3.36	1.12.84—87S
10¼% Swedish Export 81/91	106.00	9.67	9.08	7.28	1.11.88—91
9½% Swedish Export 82/87	103.50	9.18	8.54	4.67	1. 9.87
9% Tauernautobahn 75/83 PP (G)	100.00	9.00	8.67	0.17	due 1. 3.83
5½% Tauernautobahn 78/93 (G)	86.00	6.40	7.50	10.25	1. 4.84—93S
8½% Tauernautobahn 80/90 (G) PP	101.00	8.42	8.31	7.79	16.10.90
7% Tauernkraftwerke 68/83 (G)	99.85	7.01	8.91	0.08	1. 2.74—83D
6½% Tauernkraftwerke 68/83 (G)	99.00	6.57	8.21	0.67	1. 9.74—83S
10½% Telefonica 82/92	106.00	9.91	9.48	9.17	1. 3.92
9% Tenneco 82/92	106.75	8.43	7.95	9.49	1. 7.92
8% Tenpfinco 73/93	100.00	8.00	7.99	10.83	1.11.82—93S
6¼% Thailand 78/83 PP	98.85	6.32	10.90	0.25	due 1. 4.83
7¼% Tokyo El. Power 69/84	101.00	7.18	6.60	1.41	1.12.75—84D
6½% Tokyo El. Power 79/85	99.60	6.53	6.67	2.33	1. 5.85
5½% Toyo Rubber 78/83 PP	98.50	5.58	7.58	0.75	1.10.83
6½% Traf. House Fin. 72/87	97.75	6.65	7.06	4.75	1.10.78—87S
6% Trinidad & Tobago 78/83	98.00	6.12	14.37	0.25	due 1. 4.83
6¾% Trondheim 68/83	99.15	6.81	7.87	0.92	1.12.72—83S
5¾% Trondheim 78/88	95.75	6.01	6.93	4.23	1. 4.86—88D
7½% TRW Int. Fin. 69/84	99.25	7.56	8.11	1.75	1.10.75—84S
6% TVO Power 78/88 (G)	88.50	6.78	8.91	5.08	1. 2.84—88S
5¾% UDS Group 78/83	98.25	5.85	8.48	0.67	1. 9.83
8½% Unilever 75/87	103.25	8.23	7.00	2.49	1. 5.81—87S
6½% Union Bank Finland 78/88	89.75	7.24	8.78	5.96	16.12.84—88S
5¾% Uniroyal 78/84 PP	95.00	6.05	9.24	1.58	1. 8.84
7⅝% United Techn. Fin. 82/92	102.50	7.44	7.28	9.92	1.12.92
7% Venezuela 68/83	99.50	7.04	7.82	0.75	1.10.74—83S
6% Venezuela 78/88	74.90	8.01	12.95	5.17	1. 3.84—88S
6½% Venezuela 78/90	76.25	8.52	11.20	7.83	1.11.85—90S
9¾% Venezuela 80/90	91.50	10.66	11.44	7.83	1.11.86—90
11½% Venezuela 81/91	98.50	11.68	11.77	8.92	1.12.91
8¼% Vienna 75/84	100.25	8.23	7.92	1.07	1. 8.79—84D
5¾% Vienna 77/84 PP	96.00	5.99	8.04	1.96	15.12.84
9⅜% Vienna 82/92	104.50	8.97	8.52	7.50	1. 8.88—92D
8½% Voest-Alpine 73/88	101.00	8.42	8.12	3.32	1.10.79—88S
8½% Voest-Alpin 75/85	100.00	8.50	8.43	1.39	1. 6.81—85D
6¾% Voest-Alpine 77/89	94.50	7.14	8.48	3.80	1. 6.84—89D
6½% Wells-Fargo ex w. 73/88	94.00	6.91	7.81	5.83	1.11.79—88S
8¾% Westland-Utrecht 80/85 PP	99.50	8.79	8.99	2.17	1. 3.85
9% Westland-Utrecht 80/87 P	99.50	9.05	9.12	4.83	1.11.87
5½% Worldbank 65/85	99.50	5.53	5.82	2.25	1. 4.71—85S
6½% Worldbank 68/84 PP	99.50	6.53	7.03	1.00	2. 1.77—84D
6½% Worldbank 69/84	99.75	6.52	6.89	0.91	1. 6.76—84D
6½% Worldbank 69/84 PP	99.50	6.53	7.55	0.49	2. 1.77—84D
6% Worldbank 69/84 PP	98.50	6.09	8.10	0.74	1. 4.77—84D
8% Worldbank 70/86	103.50	7.73	6.07	1.98	1. 1.77—86D
7½% Worldbank 71/86 I	103.25	7.26	5.60	1.88	1. 6. 77—86D
7½% Worldbank 71/86 II	101.50	7.39	6.79	2.38	1.12.77—86D
6¾% Worldbank 72/87	98.40	6.86	7.43	2.62	1. 3.78—87D
6¾% Worldbank 73/83	100.00	6.75	6.55	0.08	due 1. 2.83
6⅜% Worldbank 73/88	96.75	6.59	7.72	2.73	1. 5.79—88D
8¼% Worldbank 75/83	100.60	8.20	6.85	0.50	1. 7.83
7½% Worldbank 76/83	100.00	7.50	7.31	0.33	1. 5.83
7¾% Worldbank 76/83	100.50	7.71	6.97	0.75	1.10.83
6¾% Worldbank 76/83 PP	100.00	6.75	6.73	0.92	1.12.83
8% Worldbank 76/84	101.60	7.87	6.41	1.08	1. 2.84
7% Worldbank 77/85 PP	99.00	7.07	7.50	2.17	1. 3.85
6½% Worldbank 77/85 PP	98.00	6.63	7.44	2.33	1. 5.85
6% Worldbank 77/85	98.50	6.09	6.61	2.71	15. 9.85
7% Worldbank 77/87	100.50	6.97	6.85	4.00	1. 1.87
6½% Worldbank 77/87	99.00	6.57	6.76	4.23	1. 5.87
5¾% Worldbank 78/84	99.40	5.78	6.13	1.58	1. 8.84
6% Worldbank 78/88	94.90	6.32	7.13	5.58	1. 8.88
6¼% Worldbank 78/88	95.50	6.54	7.21	5.92	1.12.88
5¾% Worldbank 78/90	98.50	7.99	8.16	7.00	1. 2.87—90D
7% Worldbank 79/85 PP	112.50	8.89	7.69	7.33	1. 8.85
7⅞% Worldbank 79/87 PP	102.00	7.84	7.63	7.58	1. 8.87
7¾% Worldbank 79/91	99.50	7.79	7.35	5.58	1. 7.91
10% Worldbank 80/86	107.50	8.60	7.95	8.00	1. 5.86
8½% Worldbank 80/88 PP	110.15	9.08	8.25	8.33	1. 6.88
9% Worldbank 80/88 PP	111.35	9.43	8.56	8.58	1. 5.88
7⅞% Worldbank 80/90	111.75	9.84	8.97	8.67	1. 1.90
7⅞% Worldbank 80/90 II PP	91.60	6.28	7.66	5.54	1. 1.90
10% Worldbank 80/90	101.00	6.93	6.54	2.58	1. 5.90
8% Worldbank 80/90	98.00	7.27	7.64	4.58	1. 8.90
7¾% Worldbank 80/85 PP	101.25	7.65	7.53	8.50	1. 8.88
9¾% Worldbank 81/91	108.00	9.26	7.19	3.33	1. 1.91
10% Worldbank 81/91	101.50	8.37	8.13	5.42	1. 5.91
10½% Worldbank 81/91	103.50	8.70	8.15	5.33	1. 8.91
11% Worldbank 81/91	101.25	7.77	7.62	7.00	1. 9.91
10% Worldbank 81/91 II	110.35	9.06	8.31	8.92	1.12.91
8½% Worldbank 82/90 PP	102.50	8.29	8.05	7.79	15.10.90
8½% Worldbank 82/92	103.75	8.19	7.91	9.33	1. 5.92
9½% Worldbank 82/89	105.00	9.05	8.42	6.25	1. 4.89
9½% Worldbank 82/92	107.75	8.82	8.28	9.58	1. 8.92
9% Worldbank 82/92	106.25	8.47	8.03	9.67	1. 9.92
8¼% Worldbank 82/92	103.00	8.01	7.80	9.92	1.12.92
6¾% Yokohama 68/83 (G)	99.50	6.79	7.66	0.67	1. 9.72—83S
7% Yokohama 69/84 (G)	99.50	7.04	7.43	1.75	30. 9.73—84S
8% Yokohama 71/86 (G)	100.75	7.94	7.58	2.20	1. 8.77—86S
8% Yugosl. Inv. Bank 77/84 PP	93.00	8.60	12.23	1.96	15.12.79—84S

ISSUED (MIL US$/AMT OUT) / YEAR OF ISSUE / ISSUE PRICE	BORROWER/ COUPON MATURITY	BOND PRICE/ SHARE PRICE	CUR. BOND YIELD/ CUR. SHARE YLD	PREMIUM/ CONVERSION/ FIRST CV DATE
	CONVERTIBLES—JAPAN (CONTINUED)			
15 / 15.0 / 1977 / 100.00	TOKYU DEPT STORE 6.00 31/ 7/1992 $	76 / 296	8.05 / 2.03	-4.70
15 / 15.0 / 1981 / 100.00	TOKYU LAND CORP 5.75 30/ 9/1996 $	93 / 317	6.28 / 1.89	-3.37
40 / 40.0 / 1981 / 100.00	TOKYU LAND CORP XW6 7.75 31/ 3/1996 $	96 / 317	8.24 / 1.89	5.50
50 / 0.0 / 1979 / 100.00	TOSHIBA 7.25 30/ 9/1994 $	178 5/8 / 373	4.10 / 1.88	-2.34
30 / 30.0 / 1981 / 100.00	TOYO MENKA KAISHA 6.25 30/ 9/1996 $	86 5/8 / 190	7.35 / 2.63	-3.39
20 / 20.0 / 1980 / 100.00	TOYO MENKA KAISHA 7.75 31/ 5/1996 $	88 / 190	9.00 / 2.63	-2.66
30 / 30.0 / 1981 / 100.00	TSUMURA JUNTENDO 5.25 30/ 9/1996 $	100 5/8 / 2300	5.29	-3.59
	CONVERTIBLES—LUXEMBOURG			
25 / 25.0 / 1972 / 100.00	GENERAL SHOPPING 5.25 1/ 9/1987	129 1/2 / 226.82	4.05 / 3.54	
	CONVERTIBLES—NETHERLANDS			
70 / 42.0 / 1969 / 100.00	AKZO 4.75 1/ 1/1989	86 1/8 / 35.4	5.32 / 5.65	125.73 / 1980
25 / 25.0 / 1969 / 100.00	AMRO BANK 3.50 1/ 1/1989	151 5/8 / 47.7	3.63 / 8.39	-1.54 / 1980
50 / 50.0 / 1980 / 100.00	BLAIOB FINANCE NV 4.00 1/ 7/1984	92 1/4 / 1.56	4.34	
20 / 20.0 / 1980 / 100.00	ELSEVIER-NDU 8.75 1/ 3/1995	92 5/8 / 198	9.49 / 4.42	59.03 / 1991
25 / 4.1 / 1977 / 100.00	EBNIA 7.25 15/ 6/1992	101 5/8 / 134	7.13 / 7.16	-4.55 / 1988

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